UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2022
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-34063

LendingTree, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**26-2414818**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1415 Vantage Park Dr., Suite 700, Charlotte, North Carolina 28203
(Address of principal executive offices)(Zip Code)

(704) 541-5351
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	TREE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 28, 2022, there were 12,765,718 shares of the registrant's common stock, par value $.01 per share, outstanding, excluding treasury shares.

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PART I—FINANCIAL INFORMATION

Item 1. *Financial Statements*

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
	(in thousands, except per share amounts)	
Revenue	**$ 283,178**	**$ 272,750**
Costs and expenses:		
Cost of revenue *(exclusive of depreciation and amortization shown separately below)*	15,561	13,895
Selling and marketing expense	204,157	197,462
General and administrative expense	35,973	34,989
Product development	14,052	12,468
Depreciation	4,854	3,718
Amortization of intangibles	7,917	11,312
Change in fair value of contingent consideration	—	797
Restructuring and severance	3,625	—
Litigation settlements and contingencies	(27)	16
Total costs and expenses	**286,112**	**274,657**
Operating loss	**(2,934)**	**(1,907)**
Other (expense) income, net:		
Interest expense, net	(7,505)	(10,215)
Other (expense) income	(1)	40,072
(Loss) income before income taxes	**(10,440)**	**27,950**
Income tax expense	(383)	(8,638)
Net (loss) income from continuing operations	**(10,823)**	**19,312**
Loss from discontinued operations, net of tax	(3)	(263)
Net (loss) income and comprehensive (loss) income	**$ (10,826)**	**$ 19,049**
Weighted average shares outstanding:		
Basic	12,901	13,070
Diluted	12,901	14,119
(Loss) income per share from continuing operations:		
Basic	$ (0.84)	$ 1.48
Diluted	$ (0.84)	$ 1.37
Loss per share from discontinued operations:		
Basic	$ —	$ (0.02)
Diluted	$ —	$ (0.02)
Net (loss) income per share:		
Basic	$ (0.84)	$ 1.46
Diluted	$ (0.84)	$ 1.35

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2022	December 31, 2021
	(in thousands, except par value and share amounts)	
ASSETS:		
Cash and cash equivalents	$ 196,658	$ 251,231
Restricted cash and cash equivalents	120	111
Accounts receivable (net of allowance of $1,803 and $1,456, respectively)	114,294	97,658
Prepaid and other current assets	26,995	25,379
Total current assets	**338,067**	**374,379**
Property and equipment (net of accumulated depreciation of $28,180 and $28,315, respectively)	70,680	72,477
Operating lease right-of-use assets	74,807	77,346
Goodwill	420,139	420,139
Intangible assets, net	77,847	85,763
Deferred income tax assets	127,823	87,581
Equity investment	173,140	158,140
Other non-current assets	6,969	6,942
Non-current assets of discontinued operations	—	16,589
Total assets	**$ 1,289,472**	**$ 1,299,356**
LIABILITIES:		
Current portion of long-term debt	$ 169,484	$ 166,008
Accounts payable, trade	9,909	1,692
Accrued expenses and other current liabilities	107,881	106,731
Current liabilities of discontinued operations	4	1
Total current liabilities	**287,278**	**274,432**
Long-term debt	564,981	478,151
Operating lease liabilities	93,759	96,165
Deferred income tax liabilities	2,265	2,265
Other non-current liabilities	341	351
Total liabilities	**948,624**	**851,364**
Commitments and contingencies (Note 13)		
SHAREHOLDERS' EQUITY:		
Preferred stock $.01 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock $.01 par value; 50,000,000 shares authorized; 16,119,648 and 16,070,720 shares issued, respectively, and 12,764,182 and 13,095,149 shares outstanding, respectively	161	161
Additional paid-in capital	1,145,038	1,242,794
Accumulated deficit	(538,173)	(571,794)
Treasury stock; 3,355,466 and 2,975,571 shares, respectively	(266,178)	(223,169)
Total shareholders' equity	**340,848**	**447,992**
Total liabilities and shareholders' equity	**$ 1,289,472**	**$ 1,299,356**

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

	Total	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock Number of Shares	Treasury Stock Amount
				(in thousands)			
Balance as of December 31, 2021	**$ 447,992**	**16,071**	**$ 161**	**$ 1,242,794**	**$ (571,794)**	**2,976**	**$ (223,169)**
Net income and comprehensive income	(10,826)	—	—	—	(10,826)	—	—
Non-cash compensation	15,080	—	—	15,080	—	—	—
Purchase of treasury stock	(43,009)	—	—	—	—	379	(43,009)
Issuance of common stock for stock options, restricted stock awards and restricted stock units, net of withholding taxes	(3,086)	49	—	(3,086)	—	—	—
Cumulative effect adjustment due to ASU 2020-06	(65,303)	—	—	(109,750)	44,447	—	—
Balance as of March 31, 2022	**$ 340,848**	**16,120**	**$ 161**	**$ 1,145,038**	**$ (538,173)**	**3,355**	**$ (266,178)**

	Total	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock Number of Shares	Treasury Stock Amount
				(in thousands)			
Balance as of December 31, 2020	**$ 364,761**	**15,766**	**$ 158**	**$ 1,188,673**	**$ (640,909)**	**2,641**	**$ (183,161)**
Net income and comprehensive income	19,049	—	—	—	19,049	—	—
Non-cash compensation	16,436	—	—	16,436	—	—	—
Issuance of common stock for stock options, restricted stock awards and restricted stock units, net of withholding taxes	(4,801)	31	—	(4,801)	—	—	—
Other	(2)	—	—	(2)	—	—	—
Balance as of March 31, 2021	**$ 395,443**	**15,797**	**$ 158**	**$ 1,200,306**	**$ (621,860)**	**2,641**	**$ (183,161)**

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Cash flows from operating activities attributable to continuing operations:		
Net (loss) income and comprehensive (loss) income	**$ (10,826)**	**$ 19,049**
Less: Loss from discontinued operations, net of tax	3	263
Net (loss) income from continuing operations	(10,823)	19,312
Adjustments to reconcile net (loss) income from continuing operations to net cash provided by operating activities attributable to continuing operations:		
Loss on impairments and disposal of assets	431	348
Amortization of intangibles	7,917	11,312
Depreciation	4,854	3,718
Non-cash compensation expense	15,080	16,436
Deferred income taxes	326	8,638
Change in fair value of contingent consideration	—	797
Gain on investments	—	(40,072)
Bad debt expense	850	516
Amortization of debt issuance costs	2,467	1,275
Amortization of debt discount	879	7,346
Reduction in carrying amount of ROU asset, offset by change in operating lease liabilities	(49)	7,132
Changes in current assets and liabilities:		
Accounts receivable	(17,488)	(33,743)
Prepaid and other current assets	(3,666)	(915)
Accounts payable, accrued expenses and other current liabilities	9,320	7,154
Income taxes receivable	48	(89)
Other, net	(146)	(240)
Net cash provided by operating activities attributable to continuing operations	**10,000**	**8,925**
Cash flows from investing activities attributable to continuing operations:		
Capital expenditures	(3,465)	(10,553)
Equity investment	(15,000)	(1,180)
Net cash used in investing activities attributable to continuing operations	**(18,465)**	**(11,733)**
Cash flows from financing activities attributable to continuing operations:		
Payments related to net-share settlement of stock-based compensation, net of proceeds from exercise of stock options	(3,085)	(4,801)
Purchase of treasury stock	(43,009)	—
Payment of debt issuance costs	(4)	(168)
Other financing activities	—	(31)
Net cash used in financing activities attributable to continuing operations	**(46,098)**	**(5,000)**
Total cash used in continuing operations	**(54,563)**	**(7,808)**
Discontinued operations:		
Net cash used in operating activities attributable to discontinued operations	(1)	(71)
Total cash used in discontinued operations	**(1)**	**(71)**
Net decrease in cash, cash equivalents, restricted cash and restricted cash equivalents	**(54,564)**	**(7,879)**
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	251,342	170,049
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	**$ 196,778**	**$ 162,170**

The accompanying notes to consolidated financial statements are an integral part of these statements.

LENDINGTREE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1—ORGANIZATION

Company Overview

LendingTree, Inc. is the parent of LT Intermediate Company, LLC, which holds all of the outstanding ownership interests of LendingTree, LLC, and LendingTree, LLC owns several companies (collectively, "LendingTree" or the "Company").

LendingTree operates what it believes to be the leading online consumer platform that connects consumers with the choices they need to be confident in their financial decisions. The Company offers consumers tools and resources, including free credit scores, that facilitate comparison-shopping for mortgage loans, home equity loans and lines of credit, reverse mortgage loans, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans, insurance quotes, sales of insurance policies and other related offerings. The Company primarily seeks to match in-market consumers with multiple providers on its marketplace who can provide them with competing quotes for loans, deposit products, insurance or other related offerings they are seeking. The Company also serves as a valued partner to lenders and other providers seeking an efficient, scalable and flexible source of customer acquisition with directly measurable benefits, by matching the consumer inquiries it generates with these providers.

The consolidated financial statements include the accounts of LendingTree and all its wholly-owned entities, except Home Loan Center, Inc. ("HLC") subsequent to its bankruptcy filing on July 21, 2019 which resulted in the Company's loss of a controlling interest in HLC under applicable accounting standards. Intercompany transactions and accounts have been eliminated. The HLC Bankruptcy case was closed on July 14, 2021. The HLC entity was legally dissolved in the first quarter of 2022. *See* Note 16—Discontinued Operations for additional information.

Discontinued Operations

The LendingTree Loans business, which consisted of originating various consumer mortgage loans through HLC (the "LendingTree Loans Business"), is presented as discontinued operations in the accompanying consolidated balance sheets, consolidated statements of operations and comprehensive income and consolidated statements of cash flows for all periods presented. The notes accompanying these consolidated financial statements reflect the Company's continuing operations and, unless otherwise noted, exclude information related to the discontinued operations. *See* Note 16—Discontinued Operations for additional information.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements as of March 31, 2022 and for the three months ended March 31, 2022 and 2021, respectively, have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). In the opinion of management, the unaudited interim consolidated financial statements have been prepared on the same basis as the audited financial statements, and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of the Company's financial position for the periods presented. The results for the three months ended March 31, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022, or any other period. The accompanying consolidated balance sheet as of December 31, 2021 was derived from audited financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2021 (the "2021 Annual Report"). The accompanying consolidated financial statements do not include all of the information and footnotes required by GAAP for annual financial statements. Accordingly, they should be read in conjunction with the audited financial statements and notes thereto included in the 2021 Annual Report.

NOTE 2—SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

Management is required to make certain estimates and assumptions during the preparation of the consolidated financial statements in accordance with GAAP. These estimates and assumptions impact the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. They also impact the reported amount of net earnings during any period. Actual results could differ from those estimates.

Significant estimates underlying the accompanying consolidated financial statements, including discontinued operations, include: the recoverability of long-lived assets, goodwill and intangible assets; the determination of income taxes payable and deferred income taxes, including related valuation allowances; fair value of assets acquired in a business combination; contingent consideration related to business combinations; litigation accruals; HLC ownership related claims; contract assets; various other allowances, reserves and accruals; assumptions related to the determination of stock-based compensation; and the determination of right-of-use assets and lease liabilities.

The Company considered the impact of the COVID-19 pandemic on the assumptions and estimates used when preparing its financial statements including, but not limited to, the allowance for doubtful accounts, valuation allowances, contract asset and contingent consideration. These assumptions and estimates may change as new events occur and additional information is obtained. If economic conditions caused by the COVID-19 pandemic do not recover as currently estimated by management, such future changes may have an adverse impact on the Company's results of operations, financial position and liquidity.

Certain Risks and Concentrations

LendingTree's business is subject to certain risks and concentrations including dependence on third-party technology providers, exposure to risks associated with online commerce security and credit card fraud.

Financial instruments, which potentially subject the Company to concentration of credit risk at March 31, 2022, consist primarily of cash and cash equivalents and accounts receivable, as disclosed in the consolidated balance sheet. Cash and cash equivalents are in excess of Federal Deposit Insurance Corporation insurance limits, but are maintained with quality financial institutions of high credit. The Company requires certain Network Partners to maintain security deposits with the Company, which in the event of non-payment, would be applied against any accounts receivable outstanding.

Due to the nature of the mortgage lending industry, interest rate fluctuations may negatively impact future revenue from the Company's marketplace.

Lenders and lead purchasers participating on the Company's marketplace can offer their products directly to consumers through brokers, mass marketing campaigns or through other traditional methods of credit distribution. These lenders and lead purchasers can also offer their products online, either directly to prospective borrowers, through one or more online competitors, or both. If a significant number of potential consumers are able to obtain loans and other products from Network Partners without utilizing the Company's services, the Company's ability to generate revenue may be limited. Because the Company does not have exclusive relationships with the Network Partners whose loans and other financial products are offered on its online marketplace, consumers may obtain offers from these Network Partners without using its service.

Other than a support services office in India, the Company's operations are geographically limited to and dependent upon the economic condition of the United States.

Litigation Settlements and Contingencies

Litigation settlements and contingencies consists of expenses related to actual or anticipated litigation settlements.

Recently Adopted Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, which simplifies the accounting for convertible instruments, amends the derivatives scope exception guidance for contracts in an entity’s own equity, and amends the related earnings-per-share guidance. Under the new guidance, the embedded conversion features are no longer separated from the host contract for convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, or that do not result in substantial premiums accounted for as paid-in capital. As a result, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. Additionally, the new guidance requires the if-converted method to be applied for all convertible instruments when calculating diluted earnings per share. This ASU is effective for annual and interim reporting periods beginning after December 15, 2021, with early adoption permitted for periods beginning after December 15, 2020. An entity may adopt the amendments through either a modified retrospective method of transition or a fully retrospective method of transition.

The Company adopted ASU 2020-06 on January 1, 2022 using the modified retrospective transition approach and recognized the cumulative effect of initially applying ASU 2020-06 as a $44.4 million adjustment to the opening balance of accumulated deficit, comprised of $60.8 million for the interest adjustment net of $16.4 million for the related tax impacts. The recombination of the equity conversion component of our convertible debt remaining outstanding caused a reduction in additional paid-in capital and an increase in deferred income tax assets. The removal of the remaining debt discounts recorded for this previous separation had the effect of increasing our net debt balance. ASU 2020-06 also requires the dilutive impact of convertible debt instruments to utilize the if-converted method when calculating diluted earnings per share and the result is more dilutive. The prior period consolidated financial statements have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for those periods. *See* Note 12—Debt for further information.

The cumulative effect of the changes made to the consolidated January 1, 2022 balance sheet for the adoption of ASU 2020-06 were as follows *(in thousands):*

	December 31, 2021	Adjustments due to ASU 2020-06	January 1, 2022
Assets:			
Deferred income tax assets	$ 87,581	$ 23,979	$ 111,560
Liabilities:			
Current portion of long-term debt	$ 166,008	$ 3,213	$ 169,221
Long-term debt	478,151	86,069	564,220
Shareholders' equity:			
Additional paid-in capital	$ 1,242,794	$ (109,750)	$ 1,133,044
Accumulated deficit	(571,794)	44,447	(527,347)

The adoption of ASU 2020-06 did not impact our cash flows or compliance with debt covenants.

Recently Issued Accounting Pronouncements

The Company has considered the applicability of recently issued accounting pronouncements by the Financial Accounting Standards Board and have determined that they are not applicable or are not expected to have a material impact on our consolidated financial statements.

NOTE 3—REVENUE

Revenue is as follows *(in thousands)*:

	Three Months Ended March 31,	
	2022	2021
Home	$ 101,944	$ 128,125
Credit cards	29,822	17,637
Personal loans	35,210	14,868
Other Consumer	36,036	25,402
Total Consumer	101,068	57,907
Insurance	80,038	86,614
Other	128	104
Total revenue	**$ 283,178**	**$ 272,750**

The Company derives its revenue primarily from match fees and closing fees. Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied and promised services have transferred to the customer. The Company's services are generally transferred to the customer at a point in time.

Revenue from Home products is primarily generated from upfront match fees paid by mortgage Network Partners that receive a loan request, and in some cases upfront fees for clicks or call transfers. Match fees and upfront fees for clicks and call transfers are earned through the delivery of loan requests that originated through the Company's websites or affiliates. The

Company recognizes revenue at the time a loan request is delivered to the customer, provided that no significant obligations remain. The Company's contractual right to the match fee consideration is contemporaneous with the satisfaction of the performance obligation to deliver a loan request to the customer.

Revenue from Consumer products is generated by match and other upfront fees for clicks or call transfers, as well as from closing fees, approval fees and upfront service and subscription fees. Closing fees are derived from lenders on certain auto loans, business loans, personal loans and student loans when the lender funds a loan with the consumer. Approval fees are derived from credit card issuers when the credit card consumer receives card approval from the credit card issuer. Upfront service fees and subscription fees are derived from consumers in the Company's credit services product. Upfront fees paid by consumers are recognized as revenue over the estimated time the consumer will remain a customer and receive services. Subscription fees are recognized over the period a consumer is receiving services.

The Company recognizes revenue on closing fees and approval fees at the point when a loan request or a credit card consumer is delivered to the customer. The Company's contractual right to closing fees and approval fees is not contemporaneous with the satisfaction of the performance obligation to deliver a loan request or a credit card consumer to the customer. As such, the Company records a contract asset at each reporting period-end related to the estimated variable consideration on closing fees and approval fees for which the Company has satisfied the related performance obligation but are still pending the loan closing or credit card approval before the Company has a contractual right to payment. This estimate is based on the Company's historical closing rates and historical time between when a consumer request for a loan or credit card is delivered to the lender or card issuer and when the loan is closed by the lender or approved by the card issuer.

Revenue from the Company's Insurance products is primarily generated from upfront match fees and upfront fees for website clicks or fees for calls. Match fees and upfront fees for clicks and call transfers are earned through the delivery of consumer requests that originated through the Company's websites or affiliates. The Company recognizes revenue at the time a consumer request is delivered to the customer, provided that no significant obligations remain. The Company's contractual right to the match fee consideration is contemporaneous with the satisfaction of the performance obligation to deliver a consumer request to the customer.

The contract asset recorded within prepaid and other current assets on the consolidated balance sheets related to estimated variable consideration in the Company's Consumer business was $9.7 million and $9.1 million at March 31, 2022 and December 31, 2021, respectively.

The contract liability recorded within accrued expenses and other current liabilities on the consolidated balance sheets related to upfront fees paid by consumers in the Company's Consumer business was $1.0 million and $0.8 million at March 31, 2022 and December 31, 2021, respectively. During the first quarter of 2022, the Company recognized revenue of $0.7 million that was included in the contract liability balance at December 31, 2021. During the first quarter of 2021, the Company recognized revenue of $0.6 million that was included in the contract liability balance at December 31, 2020.

Revenue recognized in any reporting period includes estimated variable consideration for which the Company has satisfied the related performance obligations but are still pending the occurrence or non-occurrence of a future event outside the Company's control (such as lenders providing loans to consumers or credit card approvals of consumers) before the Company has a contractual right to payment. The Company recognized increases to such revenue from prior periods of $0.2 million and $0.3 million in the first quarters of 2022 and 2021, respectively.

NOTE 4—CASH AND RESTRICTED CASH

Total cash, cash equivalents, restricted cash and restricted cash equivalents consist of the following *(in thousands)*:

	March 31, 2022	December 31, 2021
Cash and cash equivalents	$ 196,658	$ 251,231
Restricted cash and cash equivalents	120	111
Total cash, cash equivalents, restricted cash and restricted cash equivalents	**$ 196,778**	**$ 251,342**

NOTE 5—ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts.

LENDINGTREE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time accounts receivable are past due, previous loss history, current and expected economic conditions and the specific customer's current and expected ability to pay its obligation. Accounts receivable are considered past due when they are outstanding longer than the contractual payment terms. Accounts receivable are written off when management deems them uncollectible.

A reconciliation of the beginning and ending balances of the allowance for doubtful accounts is as follows *(in thousands)*:

	Three Months Ended March 31,	
	2022	2021
Balance, beginning of the period	**$ 1,456**	**$ 1,402**
Charges to earnings	850	516
Write-off of uncollectible accounts receivable	(503)	(494)
Recoveries collected	—	5
Balance, end of the period	**$ 1,803**	**$ 1,429**

NOTE 6—GOODWILL AND INTANGIBLE ASSETS

The balance of goodwill, net and intangible assets, net is as follows *(in thousands)*:

	March 31, 2022	December 31, 2021
Goodwill	$ 903,227	$ 903,227
Accumulated impairment losses	(483,088)	(483,088)
Net goodwill	**$ 420,139**	**$ 420,139**
Intangible assets with indefinite lives	$ 10,142	$ 10,142
Intangible assets with definite lives, net	67,705	75,621
Total intangible assets, net	**$ 77,847**	**$ 85,763**

Goodwill and Indefinite-Lived Intangible Assets

The Company's goodwill at each of March 31, 2022 and December 31, 2021 consists of $59.3 million associated with the Home segment, $166.1 million associated with the Consumer segment, and $194.7 million associated with the Insurance segment.

Intangible assets with indefinite lives relate to the Company's trademarks.

Intangible Assets with Definite Lives

Intangible assets with definite lives relate to the following *(in thousands)*:

	Cost	Accumulated Amortization	Net
Technology	$ 83,500	$ (70,236)	$ 13,264
Customer lists	77,300	(26,195)	51,105
Trademarks and tradenames	11,700	(8,364)	3,336
Balance at March 31, 2022	**$ 172,500**	**$ (104,795)**	**$ 67,705**

	Cost	Accumulated Amortization	Net
Technology	$ 87,700	$ (69,369)	$ 18,331
Customer lists	77,300	(24,668)	52,632
Trademarks and tradenames	11,700	(7,767)	3,933
Website content	26,100	(25,375)	725
Balance at December 31, 2021	**$ 202,800**	**$ (127,179)**	**$ 75,621**

Amortization of intangible assets with definite lives is computed on a straight-line basis and, based on balances as of March 31, 2022, future amortization is estimated to be as follows *(in thousands)*:

	Amortization Expense
Remainder of current year	$ 17,339
Year ending December 31, 2023	8,602
Year ending December 31, 2024	6,747
Year ending December 31, 2025	6,259
Year ending December 31, 2026	5,504
Thereafter	23,254
Total intangible assets with definite lives, net	**$ 67,705**

NOTE 7—EQUITY INVESTMENT

In January 2022, the Company acquired an equity interest in EarnUp Inc. ("EarnUp") for $15.0 million. The company is a consumer-first mortgage payment platform that intelligently automates loan payment scheduling and helps consumers better manage their money and improve their financial well-being.

On February 28, 2020, the Company acquired an equity interest in Stash Financial, Inc. (“Stash”) for $80.0 million. On January 6, 2021, the Company acquired additional equity interest for $1.2 million. On October 18, 2021, the Company entered into a stock transfer agreement with third parties to sell a portion of its Stash equity securities for $46.3 million. The Company sold $35.3 million in October and closed on an additional $11.0 million in November 2021. The Company recorded a realized gain of $27.9 million based on the sale of Stash equity securities under the stock transfer agreement, which is included within other income on the consolidated statement of operations and comprehensive income. Stash is a consumer investing and banking platform. Stash brings together banking, investing, and financial services education into one seamless experience offering a full suite of personal investment accounts, traditional and Roth IRAs, custodial investment accounts, and banking services, including checking accounts and debit cards with a Stock-Back® rewards program.

The equity securities do not have a readily determinable fair value and, upon acquisition, the Company elected the measurement alternative to value its securities. The equity securities will be carried at cost and subsequently marked to market upon observable market events with any gains or losses recorded to the consolidated statement of operations and comprehensive income. In 2021, the Company recorded a net unrealized gain on the investment in Stash of $95.4 million as a result of an adjustment to the fair value of the Stash equity securities based on observable market events, which is included within other income on the consolidated statement of operations and comprehensive income.

As of March 31, 2022, there have been no impairments to the acquisition cost of the equity securities.

NOTE 8—ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following *(in thousands)*:

	March 31, 2022	December 31, 2021
Accrued advertising expense	$ 65,778	$ 59,150
Accrued compensation and benefits	12,394	16,330
Accrued professional fees	1,127	1,887
Customer deposits and escrows	8,209	7,546
Contribution to LendingTree Foundation	—	3,333
Current lease liabilities	8,561	8,595
Other	11,812	9,890
Total accrued expenses and other current liabilities	**$ 107,881**	**$ 106,731**

NOTE 9—SHAREHOLDERS' EQUITY

Basic and diluted income per share was determined based on the following share data *(in thousands)*:

	Three Months Ended March 31,	
	2022	2021
Weighted average basic common shares	**12,901**	**13,070**
Effect of stock options	—	658
Effect of dilutive share awards	—	118
Effect of Convertible Senior Notes and warrants	—	273
Weighted average diluted common shares	**12,901**	**14,119**

For the first quarter of 2022, the Company had losses from continuing operations and, as a result, no potentially dilutive securities were included in the denominator for computing diluted loss per share, because the impact would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding was used to compute loss per share. Approximately 0.3 million shares related to potentially dilutive securities were excluded from the calculation of diluted loss per share for the first quarter of 2022 because their inclusion would have been anti-dilutive. For the first quarter of 2022, the weighted average shares that were anti-dilutive, and therefore excluded from the calculation of diluted income per share, included options to purchase 0.9 million shares of common stock and 0.2 million restricted stock units.

For the first quarter of 2021, the weighted average shares that were anti-dilutive, and therefore excluded from the calculation of diluted income per share, included options to purchase 0.3 million shares of common stock.

The convertible notes and the warrants issued by the Company could be converted into the Company’s common stock, subject to certain contingencies. *See* Note 12—Debt for additional information. On January 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective method. Following the adoption, the if-converted method is used for diluted net income per share calculation of our convertible notes. Prior to the adoption of ASU 2020-06 the dilutive impact of the convertible notes was calculated using the treasury stock method. *See* Note 2—Significant Accounting Policies for additional information.

Approximately 2.1 million shares related to the potentially dilutive shares of the Company's common stock associated with the 0.50% Convertible Senior Notes due July 15, 2025 and the 0.625% Convertible Senior Notes due June 1, 2022 were excluded from the calculation of diluted loss per share for the first quarter of 2022 because their inclusion would have been anti-dilutive. Shares of the Company's stock associated with the warrants issued by the Company in 2017 and 2020 were excluded from the calculation of diluted loss per share for the first quarter of 2022 as they were anti-dilutive since the the strike price of the warrants was greater than the average market price of the Company's common stock during the period.

The employee stock purchase plan did not have a material impact to the calculation of diluted shares.

Common Stock Repurchases

In each of February 2018 and February 2019, the board of directors authorized and the Company announced the repurchase of up to $100.0 million and $150.0 million, respectively, of LendingTree's common stock. In the first quarter of 2022, the Company purchased 379,895 shares of its common stock pursuant to this stock repurchase program. There were no repurchases of the Company's common stock during the first quarter 2021. At March 31, 2022, approximately $96.7 million of the previous authorizations to repurchase common stock remain available.

NOTE 10—STOCK-BASED COMPENSATION

Non-cash compensation related to equity awards is included in the following line items in the accompanying consolidated statements of operations and comprehensive income *(in thousands)*:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cost of revenue	$ 393	$ 397
Selling and marketing expense	2,039	1,802
General and administrative expense	9,600	12,171
Product development	1,965	2,066
Restructuring and severance	1,083	—
Total non-cash compensation	**$ 15,080**	**$ 16,436**

Stock Options

A summary of changes in outstanding stock options is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value[(a)]
		(per option)	*(in years)*	*(in thousands)*
Options outstanding at January 1, 2022	**676,293**	**$ 169.71**		
Granted [(b)]	130,428	114.28		
Exercised	—	—		
Forfeited	(10,010)	258.09		
Expired	(811)	278.83		
Options outstanding at March 31, 2022	**795,900**	**159.41**	**5.85**	**$ 25,773**
Options exercisable at March 31, 2022	**485,638**	**$ 126.88**	**3.77**	**$ 24,985**

(a) The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company's closing stock price of $119.67 on the last trading day of the quarter ended March 31, 2022 and the exercise price, multiplied by the number of shares covered by in-the-money options) that would have been received by the option holder had the option holder exercised these options on March 31, 2022. The intrinsic value changes based on the market value of the Company's common stock.

(b) During the three months ended March 31, 2022, the Company granted stock options to certain employees with a weighted average grant date fair value per share of $58.60, calculated using the Black-Scholes option pricing model, with a vesting period of three years from grant date.

For purposes of determining stock-based compensation expense, the weighted average grant date fair value per share of the stock options was estimated using the Black-Scholes option pricing model, which requires the use of various key assumptions. The weighted average assumptions used are as follows:

Expected term (1)	6.00 years
Expected dividend (2)	—
Expected volatility (3)	53 - 56%
Risk-free interest rate (4)	1.62 - 1.79%

(1) The expected term of stock options granted was calculated using the "Simplified Method," which utilizes the midpoint between the weighted average time of vesting and the end of the contractual term. This method was utilized for the stock options due to a lack of historical exercise behavior by the Company's employees.

(2) For all stock options granted in 2022, no dividends are expected to be paid over the contractual term of the stock options, resulting in a zero expected dividend rate.

(3) The expected volatility rate is based on the historical volatility of the Company's common stock.

(4) The risk-free interest rate is specific to the date of grant. The risk-free interest rate is based on U.S. Treasury yields for notes with comparable expected terms as the awards, in effect at the grant date.

Stock Options with Market Conditions

A summary of changes in outstanding stock options with market conditions at target is as follows:

	Number of Options with Market Conditions	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value(a)
		(per option)	*(in years)*	*(in thousands)*
Options outstanding at January 1, 2022	**700,209**	**$ 236.01**		
Granted	—	—		
Exercised	—	—		
Forfeited	—	—		
Expired	(13,163)	378.95		
Options outstanding at March 31, 2022	**687,046**	**233.27**	**6.51**	**$ —**
Options exercisable at March 31, 2022	**—**	**$ —**	**0.00**	**$ —**

(a) The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company's closing stock price of $119.67 on the last trading day of the quarter ended March 31, 2022 and the exercise price, multiplied by the number of shares covered by in-the-money options) that would have been received by the option holder had the option holder exercised these options on March 31, 2022. The intrinsic value changes based on the market value of the Company's common stock.

A maximum of 1,147,367 shares may be earned for achieving superior performance up to 167% of the target number of shares. As of March 31, 2022, performance-based nonqualified stock options with a market condition of 481,669 had been earned, which have a vest date of September 30, 2022.

Restricted Stock Units

A summary of changes in outstanding nonvested restricted stock units ("RSUs") is as follows:

	RSUs	
	Number of Units	Weighted Average Grant Date Fair Value
		(per unit)
Nonvested at January 1, 2022	**308,068**	**$ 226.55**
Granted	321,998	113.55
Vested	(75,786)	280.44
Forfeited	(26,687)	215.35
Nonvested at March 31, 2022	**527,593**	**$ 150.41**

Restricted Stock Awards with Market Conditions

A summary of changes in outstanding nonvested RSAs with market conditions at target is as follows:

	RSAs with Market Conditions	
	Number of Awards	Weighted Average Grant Date Fair Value
		(per unit)
Nonvested at January 1, 2022	**26,674**	**$ 340.25**
Granted	—	—
Vested	—	—
Forfeited	—	—
Nonvested at March 31, 2022	**26,674**	**$ 340.25**

A maximum of 44,545 shares may be earned for achieving superior performance up to 167% of the target number of shares. As of March 31, 2022, performance-based restricted stock awards with a market condition of 29,601 had been earned, which have a vest date of September 30, 2022.

Employee Stock Purchase Plan

In 2021, the Company implemented an employee stock purchase plan ("ESPP"), under which a total of 262,731 shares of the Company's common stock were reserved for issuance. As of March 31, 2022, 257,188 shares of common stock were available for issuance under the ESPP. The ESPP is a tax-qualified plan under Section 423 of the Internal Revenue Code. Under the terms of the ESPP, eligible employees are granted options to purchase shares of the Company's common stock at 85% of the lesser of (1) the fair market value at time of grant or (2) the fair market value at time of exercise. The offering periods and purchase periods are typically six-month periods ending on June 30 and December 31 of each year. No shares were issued under the ESPP during the first quarter of 2022.

During the three months ended March 31, 2022, the Company granted employee stock purchase rights to certain employees with a grant date fair value per share of $35.43, calculated using the Black-Scholes option pricing model. For purposes of determining stock-based compensation expense, the grant date fair value per share estimated using the Black-Scholes option pricing model required the use of the following key assumptions:

Expected term (1)	0.50 years	
Expected dividend (2)	—	
Expected volatility (3)	49	%
Risk-free interest rate (4)	0.19	%

(1) The expected term was calculated using the time period between the grant date and the purchase date.

(2) No dividends are expected to be paid, resulting in a zero expected dividend rate.

(3) The expected volatility rate is based on the historical volatility of the Company's common stock.

(4) The risk-free interest rate is specific to the date of grant. The risk-free interest rate is based on U.S. Treasury yields for notes with comparable expected terms as the employee stock purchase rights, in effect at the grant date.

NOTE 11—INCOME TAXES

	Three Months Ended March 31,	
	2022	2021
	(in thousands, except percentages)	
Income tax expense	$ (383)	$ (8,638)
Effective tax rate	*(3.7)%*	*30.9 %*

For the first quarter of 2022, the effective tax rate varied from the federal statutory rate of 21% primarily due to excess tax expense of $2.5 million, resulting from vesting of restricted stock in accordance with ASU 2016-09 and the effect of state taxes. For the first quarter of 2021, the effective tax rate varied from the federal statutory rate of 21% primarily due to the effect of state taxes.

The Company determines its estimated annual effective tax rate at the end of each interim period based on estimated pre-tax income (loss) and facts known at that time. The estimated annual effective tax rate is applied to the year-to-date pre-tax income (loss) at the end of each interim period with certain adjustments. The tax effects of significant unusual or extraordinary items are reflected as discrete adjustments in the periods in which they occur. However, if the Company is unable to make a reliable estimate of its annual effective tax rate, then the actual effective tax rate for the year-to-date period may be the best estimate. For the three months ended March 31, 2021, the Company determined that its annual effective tax rate approach would provide a reliable estimate and therefore used its historical method to calculate its tax provision. However, for the three months ended March 31, 2022, the Company used a discrete effective tax rate method as it was determined that the effective tax rate determined using the forecast of ordinary income or loss does not reasonably estimate the effective tax rate to be applied to year-to-date pre-tax income (loss), and any small changes would result in significant changes in the estimated annual effective tax rate.

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Income tax expense - excluding excess tax benefit on stock compensation	$ 2,085	$ (8,670)
Excess tax (expense) benefit on stock compensation	(2,468)	32
Income tax expense	$ (383)	$ (8,638)

NOTE 12—DEBT

Convertible Senior Notes

2025 Notes

On July 24, 2020, the Company issued $575.0 million aggregate principal amount of its 0.50% Convertible Senior Notes due July 15, 2025 (the “2025 Notes”) in a private placement. The issuance included $75.0 million aggregate principal amount of 2025 Notes under a 13-day purchase option which was exercised in full. The 2025 Notes bear interest at a rate of 0.50% per year, payable semi-annually on January 15 and July 15 of each year, beginning on January 15, 2021. The 2025 Notes will mature on July 15, 2025, unless earlier repurchased, redeemed or converted.

The initial conversion rate of the 2025 Notes is 2.1683 shares of the Company's common stock per $1,000 principal amount of 2025 Notes (which is equivalent to an initial conversion price of approximately $461.19 per share). The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for accrued and unpaid interest. In addition, upon the occurrence of a make-whole fundamental change prior to the maturity of the 2025 Notes or if the Company issues a notice of redemption for the 2025 Notes, the Company will, in certain circumstances, increase the conversion rate by a specified number of additional shares for a holder that elects to convert the 2025 Notes in connection with such make-whole fundamental change or to convert its 2025 Notes called for redemption, as the case may be. Upon conversion, the 2025 Notes will settle for cash, shares of the Company's stock, or a combination thereof, at the Company's option. It is the intent of the Company to settle the principal amount of the 2025 Notes in cash and any conversion premium in shares of its common stock.

The 2025 Notes are the Company's senior unsecured obligations and will rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the 2025 Notes; equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness, including borrowings under the senior secured revolving credit facility, described below, to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of the Company's subsidiaries.

Prior to the close of business on the business day immediately preceding March 13, 2025, the 2025 Notes will be convertible at the option of the holders thereof only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2020 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which, for each trading day of that period, the trading price (as defined in the 2025 Notes) per $1,000 principal amount of 2025 Notes for such trading day was less than 98% of the product of the last reported sale price of the common stock and the conversion rate on each such trading day;
- if the Company calls such 2025 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the notes called for redemption; or
- upon the occurrence of specified corporate events including but not limited to a fundamental change.

Holders of the 2025 Notes were not entitled to convert the 2025 Notes during the calendar quarter ended March 31, 2022 as the last reported sale price of the Company's common stock, for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on December 31, 2021, was not greater than or equal to 130% of the conversion price of the 2025 Notes on each applicable trading day. Holders of the 2025 Notes are not entitled to convert the 2025 Notes during the calendar quarter ended June 30, 2022 as the last reported sale price of the Company's common stock, for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on March 31, 2022, was not greater than or equal to 130% of the conversion price of the 2025 Notes on each applicable trading day.

On or after March 13, 2025, until the close of business on the second scheduled trading day immediately preceding the maturity date of the 2025 Notes, holders of the 2025 Notes may convert all or a portion of their 2025 Notes regardless of the foregoing conditions.

The Company may not redeem the 2025 Notes prior to July 20, 2023. On or after July 20, 2023 and before the 41st scheduled trading day immediately before the maturity date, the Company may redeem for cash all or a portion of the 2025 Notes, at its option, if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period (and including the last trading day of such period) ending on, and including the last trading day immediately preceding the date of notice of redemption is greater than or equal to 130% of the conversion price on each applicable trading day. The redemption price will be equal to 100% of the principal amount of the 2025 Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the 2025 Notes.

Upon the occurrence of a fundamental change prior to the maturity date of the 2025 Notes, holders of the 2025 Notes may require the Company to repurchase all or a portion of the 2025 Notes for cash at a price equal to 100% of the principal amount of the 2025 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

If the market price per share of the common stock, as measured under the terms of the 2025 Notes, exceeds the conversion price of the 2025 Notes, the 2025 Notes could have a dilutive effect, unless the Company elects, subject to certain conditions, to settle the principal amount of the 2025 Notes and any conversion premium in cash.

Accounting for the Notes After Adoption of ASU 2020-06

The Company adopted ASU 2020-06 on January 1, 2022 as further described in Note 2—Significant Accounting Policies. Following the adoption of ASU 2020-06, the 2025 Notes are recorded as a single unit within liabilities on the consolidated balance sheets as the conversion features within the 2025 Notes are not derivatives that require bifurcation and the 2025 Notes do not involve a substantial premium. Debt issuance costs to issue the 2025 Notes were recorded as direct deduction from the related liability and amortized to interest expense over the term of Notes. The new guidance also requires the if-converted method to be applied for all convertible instruments when calculating diluted earnings per share. *See* Note 2—Significant Accounting Policies for additional information.

Accounting for the Notes Before Adoption of ASU 2020-06

The initial measurement of convertible debt instruments that may be settled in cash was separated into a debt and an equity component whereby the debt component was based on the fair value of a similar instrument that does not contain an equity conversion option. The separate components of debt and equity of the Company's 2025 Notes were determined using an interest rate of 5.30%, which reflects the nonconvertible debt borrowing rate of the Company at the date of issuance. As a result, the initial components of debt and equity were $455.6 million and $119.4 million, respectively. Financing costs related to the issuance of the 2025 Notes were approximately $15.1 million, of which $12.0 million were allocated to the liability component and are being amortized to interest expense over the term of the debt and $3.1 million were allocated to the equity component.

In the first quarter of 2022, the Company recorded interest expense on the 2025 Notes of $1.5 million which consisted of $0.7 million associated with the 0.50% coupon rate and $0.8 million associated with the amortization of the debt issuance costs. In the first quarter of 2021, the Company recorded interest expense on the 2025 Notes of $6.8 million which consisted of $0.7 million associated with the 0.50% coupon rate, $5.5 million associated with the accretion of the debt discount, and $0.6 million associated with the amortization of the debt issuance costs.

As of March 31, 2022, the fair value of the 2025 Notes is estimated to be approximately $471.5 million using the Level 1 observable input of the last quoted market price on March 31, 2022.

A summary of the gross carrying amount, unamortized debt cost, debt issuance costs and net carrying value of the liability component of the 2025 Notes, all of which is recorded as a non-current liability in the March 31, 2022 consolidated balance sheet, are as follows *(in thousands)*:

	March 31, 2022	December 31, 2021
Gross carrying amount	$ 575,000	$ 575,000
Unamortized debt discount	—	87,994
Debt issuance costs	10,019	8,855
Net carrying amount	**$ 564,981**	**$ 478,151**

<u>2022 Notes</u>

On May 31, 2017, the Company issued $300.0 million aggregate principal amount of its 0.625% Convertible Senior Notes due June 1, 2022 (the "2022 Notes") in a private placement. The 2022 Notes bear interest at a rate of 0.625% per year, payable semi-annually on June 1 and December 1 of each year, beginning on December 1, 2017. The 2022 Notes will mature on June 1, 2022, unless earlier repurchased or converted.

The initial conversion rate of the 2022 Notes is 4.8163 shares of the Company's common stock per $1,000 principal amount of 2022 Notes (which is equivalent to an initial conversion price of approximately $207.63 per share). The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for accrued and unpaid interest. In addition, upon the occurrence of a make-whole fundamental change prior to the maturity of the 2022 Notes, the Company will, in certain circumstances, increase the conversion rate by a specified number of additional shares for a holder that elects to convert the 2022 Notes in connection with such make-whole fundamental change. Upon conversion, the 2022 Notes will settle for cash, shares of the Company's stock, or a combination thereof, at the Company's option. It is the intent of the Company to settle the principal amount of the 2022 Notes in cash and any conversion premium in shares of its common stock.

The 2022 Notes are the Company's senior unsecured obligations and will rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the 2022 Notes; equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness, including borrowings under the senior secured credit facility, described below, to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of the Company's subsidiaries.

Prior to the close of business on the business day immediately preceding February 1, 2022, the 2022 Notes will be convertible at the option of the holders thereof only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2017 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;

- during the five business day period after any five consecutive trading day period in which, for each trading day of that period, the trading price (as defined in the 2022 Notes) per $1,000 principal amount of 2022 Notes for such trading day was less than 98% of the product of the last reported sale price of the common stock and the conversion rate on each such trading day; or

- upon the occurrence of specified corporate events including but not limited to a fundamental change.

On or after February 1, 2022, until the close of business on the second scheduled trading day immediately preceding the maturity date of the 2022 Notes, holders of the 2022 Notes may convert all or a portion of their 2022 Notes regardless of the foregoing conditions.

The Company may not redeem the 2022 Notes prior to the maturity date and no sinking fund is provided for the 2022 Notes. Upon the occurrence of a fundamental change prior to the maturity date of the 2022 Notes, holders of the 2022 Notes may require the Company to repurchase all or a portion of the 2022 Notes for cash at a price equal to 100% of the principal amount of the 2022 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

If the market price per share of the common stock, as measured under the terms of the 2022 Notes, exceeds the conversion price of the 2022 Notes, the 2022 Notes could have a dilutive effect, unless the Company elects, subject to certain conditions, to settle the principal amount of the 2022 Notes and any conversion premium in cash.

Accounting for the Notes After Adoption of ASU 2020-06

The Company adopted ASU 2020-06 on January 1, 2022 as further described in Note 2—Significant Accounting Policies. Following the adoption of ASU 2020-06, the 2022 Notes are recorded as a single unit within liabilities on the consolidated balance sheets as the conversion features within the 2022 Notes are not derivatives that require bifurcation and the 2022 Notes do not involve a substantial premium. Debt issuance costs to issue the 2022 Notes were recorded as direct deduction from the related liability and amortized to interest expense over the term of Notes. The new guidance also requires the if-converted method to be applied for all convertible instruments when calculating diluted earnings per share. *See* Note 2—Significant Accounting Policies for additional information.

Accounting for the Notes Before Adoption of ASU 2020-06

The separate components of debt and equity of the Company's 2022 Notes were determined using an interest rate of 5.36%, which reflects the nonconvertible debt borrowing rate of the Company at the date of issuance. As a result, the initial components of debt and equity were $238.4 million and $61.6 million, respectively. Financing costs related to the issuance of the 2022 Notes were approximately $9.3 million, of which $7.4 million were allocated to the liability component and are being amortized to interest expense over the term of the debt and $1.9 million were allocated to the equity component.

On July 24, 2020, the Company used approximately $234.0 million of the net proceeds from the issuance of the 2025 Notes to repurchase approximately $130.3 million principal amount of the 2022 Notes, including the payment of accrued and unpaid interest of approximately $0.1 million, through separate transactions with certain holders of the 2022 Notes. Of the consideration paid, $126.0 million was allocated to the extinguishment of the liability component of the notes, while the remaining $107.9 million was allocated to the reacquisition of the equity component and recorded as a reduction to additional paid-in capital in the consolidated statement of shareholders' equity. The Company recognized a loss on debt extinguishment of $7.8 million in the third quarter of 2020, which is included in interest expense, net in the consolidated statements of operations and comprehensive income.

In the first quarter of 2022, the Company recorded interest expense on the 2022 Notes of $0.5 million which consisted of $0.3 million associated with the 0.625% coupon rate and $0.2 million associated with the amortization of the debt issuance costs. In the first quarter of 2021, the Company recorded interest expense on the 2022 Notes of $2.3 million which consisted of $0.3 million associated with the 0.625% coupon rate, $1.8 million associated with the accretion of the debt discount, and $0.2 million associated with the amortization of the debt issuance costs.

As of March 31, 2022, the fair value of the 2022 Notes is estimated to be approximately $168.4 million using the Level 1 observable input of the last quoted market price on March 31, 2022.

A summary of the gross carrying amount, unamortized debt cost, debt issuance costs and net carrying value of the liability component of the 2022 Notes, all of which is recorded as a current liability in the March 31, 2022 consolidated balance sheet, are as follows *(in thousands)*:

	March 31, 2022	December 31, 2021
Gross carrying amount	$ 169,659	$ 169,659
Unamortized debt discount	—	3,260
Debt issuance costs	175	391
Net carrying amount	**$ 169,484**	**$ 166,008**

Convertible Note Hedge and Warrant Transactions

2020 Hedge and Warrants

On July 24, 2020, in connection with the issuance of the 2025 Notes, the Company entered into Convertible Note Hedge (the "2020 Hedge") and warrant transactions with respect to the Company's common stock. The Company used approximately $63.0 million of the net proceeds from the 2025 Notes to pay for the cost of the 2020 Hedge, after such cost was partially offset by the proceeds from the warrant transactions.

On July 24, 2020, the Company paid $124.2 million to the counterparties for the 2020 Hedge transactions. The 2020 Hedge transactions cover 1.2 million shares of the Company's common stock, the same number of shares initially underlying the 2025 Notes, and are exercisable upon any conversion of the 2025 Notes. The 2020 Hedge transactions are expected generally to reduce the potential dilution to the Company's common stock upon conversion of the 2025 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the converted 2025 Notes, as the case may be, in the event that the market price per share of common stock, as measured under the terms of the 2020 Hedge transactions, is greater than the strike price of the 2020 Hedge transactions, which initially corresponds to the initial conversion price of the 2025 Notes, or approximately $461.19 per share of common stock. The 2020 Hedge transactions will expire upon the maturity of the Notes.

On July 24, 2020, the Company sold to the counterparties, warrants (the "2020 Warrants") to acquire 1.2 million shares of the Company's common stock at an initial strike price of $709.52 per share, which represents a premium of 100% over the last reported sale price of the common stock of $354.76 on July 21, 2020. On July 24, 2020, the Company received aggregate proceeds of approximately $61.2 million from the sale of the 2020 Warrants. If the market price per share of the common stock, as measured under the terms of the 2020 Warrants, exceeds the strike price of the 2020 Warrants, the 2020 Warrants could have a dilutive effect, unless the Company elects, subject to certain conditions, to settle the 2020 Warrants in cash.

The 2020 Hedge and 2020 Warrants transactions are indexed to, and potentially settled in, the Company's common stock and the net cost of $63.0 million has been recorded as a reduction to additional paid-in capital in the consolidated statement of shareholders' equity.

2017 Hedge and Warrants

On May 31, 2017, in connection with the issuance of the 2022 Notes, the Company entered into Convertible Note Hedge (the "2017 Hedge") and warrant transactions with respect to the Company's common stock. The Company used approximately $18.1 million of the net proceeds from the 2022 Notes to pay for the cost of the 2017 Hedge, after such cost was partially offset by the proceeds from the warrant transactions.

On May 31, 2017, the Company paid $61.5 million to the counterparties for the 2017 Hedge transactions. The 2017 Hedge transactions initially covered 1.4 million shares of the Company's common stock, the same number of shares initially underlying the 2022 Notes, and are exercisable upon any conversion of the 2022 Notes. The 2017 Hedge transactions are expected generally to reduce the potential dilution to the Company's common stock upon conversion of the 2022 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the converted 2022 Notes, as the case may be, in the event that the market price per share of common stock, as measured under the terms of the 2017 Hedge transactions, is greater than the strike price of the 2017 Hedge transactions, which initially corresponds to the initial conversion price of the 2022 Notes, or approximately $207.63 per share of common stock. The 2017 Hedge transactions will expire upon the maturity of the Notes.

On May 31, 2017, the Company sold to the counterparties, warrants (the "2017 Warrants") to acquire 1.4 million shares of the Company's common stock at an initial strike price of $266.39 per share, which represents a premium of 70% over the last reported sale price of the common stock of $156.70 on May 24, 2017. On May 31, 2017, the Company received aggregate proceeds of approximately $43.4 million from the sale of the 2017 Warrants. If the market price per share of the common stock, as measured under the terms of the 2017 Warrants, exceeds the strike price of the 2017 Warrants, the 2017 Warrants could have a dilutive effect, unless the Company elects, subject to certain conditions, to settle the 2017 Warrants in cash.

The 2017 Hedge and 2017 Warrants transactions are indexed to, and potentially settled in, the Company's common stock and the net cost of $18.1 million was recorded as a reduction to additional paid-in capital in the consolidated statement of shareholders' equity.

To the extent of the repurchases of the 2022 Notes noted above, the Company entered into agreements with the counterparties for the 2017 Hedge and 2017 Warrants transactions to terminate a portion of these call spread transactions effective July 24, 2020 in notional amounts corresponding to the principal amount of the 2022 Notes repurchased. Subsequent to such termination, the outstanding portion of the 2017 Hedge covers 0.8 million shares of the Company's common stock and 2017 Warrants to acquire 0.8 million shares of the Company's common stock remain outstanding. The Company received $109.9 million and paid $94.3 million as a result of terminating such portions of the 2017 Hedge and 2017 Warrants, respectively. The net $15.6 million has been recorded as an increase to additional paid-in capital in the consolidated statement of shareholders' equity.

Credit Facility

On September 15, 2021, the Company entered into a credit agreement (the "Credit Agreement"), consisting of a $200.0 million revolving credit facility (the "Revolving Facility"), which matures on September 15, 2026, and a $250.0 million delayed draw term loan facility (the "Term Loan Facility" and together with the Revolving Facility, the "Credit Facility"), which matures on September 15, 2028 to the extent the loans thereunder will be drawn. The delayed draw commitments under the Term Loan Facility will be available until June 1, 2022. The proceeds of the Revolving Facility can be used to finance working capital, for general corporate purposes and any other purpose not prohibited by the Credit Agreement. The proceeds of the Term Loan Facility can be used to settle the Company's 2022 Notes, including related fees, costs and expenses, and up to $80.0 million may be used for general corporate purposes and any other purposes not prohibited by the Credit Agreement. The Credit Facility replaces the Company's $500.0 million five-year senior secured revolving credit facility (the "Amended Revolving Credit Facility") which was entered into on December 10, 2019. As of March 31, 2022 and December 31, 2021, the Company had no borrowings outstanding under the Credit Facility.

The full amount of the Revolving Facility will be available on a same-day basis, with respect to base rate loans and upon advance notice with respect to LIBO rate loans, subject to customary terms and conditions. Under certain conditions, the

Company will be permitted to add one or more term loans and/or increase revolving or term loan commitments under the Credit Facility by an amount set at the greater of $116.0 million and 100% of consolidated EBITDA (subject to adjustments for certain prepayments), plus an unlimited amount provided that the first lien net leverage ratio does not exceed 3.00 to 1.00. Additionally, up to $20.0 million of the Revolving Facility will be available for the issuance of letters of credit. At each of March 31, 2022 and December 31, 2021, the Company had outstanding one letter of credit issued in the amount of $0.2 million.

The Company’s borrowings under the Credit Facility bear interest at annual rates that, at the Company’s option, will be either:

- a base rate generally defined as the sum of (i) the greater of (a) the prime rate of Truist Bank, (b) the federal funds effective rate plus 0.5% and (c) the LIBO rate (defined below) on a daily basis applicable for an interest period of one month plus 1.0% and (ii) an applicable percentage of 1.25% to 1.75% for loans under the Revolving Facility and 2.75% to 3.00% for loans under the Term Loan Facility, in each case, based on a first lien net leverage ratio; or

- a LIBO rate generally defined as the sum of (i) the rate for Eurodollar deposits for the applicable interest period and (ii) an applicable percentage of 2.25% to 2.75% for loans under the Revolving Facility and 3.75% to 4.00% for loans under the Term Loan Facility, in each case, based on a first lien net leverage ratio.

Interest on the Company’s borrowings is payable quarterly in arrears for base rate loans and on the last day of each interest rate period (but not less often than three months) for LIBO rate loans.

The Credit Facility contains a restrictive financial covenant, which is set at a first lien net leverage ratio of 2.50 to 1.00, except that this may increase by 0.50:1.00 for the four fiscal quarters following a material acquisition. The financial covenant will be tested only if the loans and certain other obligations under the Revolving Facility exceed $20.0 million as of the last date of any fiscal quarter (starting with the fiscal quarter ending on December 31, 2021). In addition, the Credit Facility contains mandatory prepayment events, affirmative and negative covenants and events of default customary for a transaction of this type. The covenants, among other things, restrict additional indebtedness, liens, mergers or certain fundamental changes, asset dispositions, dividends and other restricted payments, transactions with affiliates, loans and investments and other matters customarily restricted in credit agreements of this type. The Company is required to make mandatory prepayments of the outstanding principal amount of loans under the Term Loan Facility with the net cash proceeds from certain disposition of assets and the receipt of insurance proceeds upon certain casualty and condemnation events, in each case, to the extent not reinvested within a specified time period, from excess cash flow beyond stated threshold amounts, and from the incurrence of certain indebtedness. The Company has the right to prepay its term loans under the Credit Agreement, in whole or in part, at any time without premium or penalty, subject to certain limitations and a 1.0% soft call premium applicable during the first six months following the closing date.

The Company was in compliance with all covenants at March 31, 2022.

The Credit Facility requires the Company and certain of its subsidiaries to pledge as collateral, subject to certain customary exclusions, substantially all of its assets, including 100% of the equity in certain domestic subsidiaries and 65% of the voting equity, and 100% of the non-voting equity, in certain foreign subsidiaries. The obligations under the Credit Facility are unconditionally guaranteed on a senior basis by the Company's material domestic subsidiaries, which guaranties are secured by the collateral.

With respect to the Revolving Facility, the Company is required to pay an unused commitment fee quarterly in arrears on the difference between committed amounts and amounts actually borrowed under the Revolving Facility equal to an applicable percentage of 0.25% to 0.50% per annum based on a first lien net leverage ratio. The Company is required to pay a letter of credit participation fee and a letter of credit fronting fee quarterly in arrears. The letter of credit participation fee is based upon the aggregate face amount of outstanding letters of credit at an applicable percentage of 2.25% to 2.75% based on a first lien net leverage ratio. The letter of credit fronting fee is 0.125% per annum on the face amount of each letter of credit.

With respect to the Term Loan Facility, the Company is required to pay an unused commitment fee quarterly in arrears on the difference between committed amounts and amounts actually borrowed under the Term Loan Facility equal to an applicable LIBO rate plus an applicable percentage of 3.75% to 4.00% per annum based on a first lien net leverage ratio.

The Company recognized $1.1 million in additional interest expense in 2021 due to the write-off of certain unamortized debt issuance costs associated with the Amended Revolving Credit Facility. In addition to the remaining unamortized debt issuance costs associated with the Amended Revolving Credit Facility, debt issuance costs of $2.8 million related to the

Revolving Facility are being amortized to interest expense over the life of the Revolving Facility. Debt issuance costs of $3.5 million related to the Term Loan Facility and the original issue discount of $2.5 million paid on the undrawn term loan facility are being amortized to interest expense over the delayed draw access period, until such time that the loans thereunder are drawn. These deferred costs are included in prepaid and other current assets and other non-current assets in the Company's consolidated balance sheet.

In the first quarter of 2022, the Company recorded interest expense related to its Revolving Facility of $0.4 million which consisted of $0.2 million in unused commitment fees, and $0.2 million associated with the amortization of the debt issuance costs. In the first quarter of 2022, the Company recorded interest expense related to the Term Loan Facility of $5.1 million which consisted of $3.0 million in unused commitment fees, $1.2 million associated with the amortization of the debt issuance costs, and $0.9 million associated with the amortization of the original issue discount.

In the first quarter of 2021, the Company recorded interest expense related to its revolving credit facilities of $1.1 million which consisted of $0.6 million in unused commitment fees, and $0.5 million associated with the amortization of the debt issuance costs.

NOTE 13—CONTINGENCIES

Overview

LendingTree is involved in legal proceedings on an ongoing basis. In assessing the materiality of a legal proceeding, the Company evaluates, among other factors, the amount of monetary damages claimed, as well as the potential impact of non-monetary remedies sought by plaintiffs (e.g., injunctive relief) that may require it to change its business practices in a manner that could have a material and adverse impact on the Company's business. With respect to the matters disclosed in this Note 13, unless otherwise indicated, the Company is unable to estimate the possible loss or range of losses that could potentially result from the application of such non-monetary remedies.

As of March 31, 2022 and December 31, 2021, the Company had litigation settlement accruals of $0.1 million in continuing operations. The litigation settlement accruals relate to litigation matters that were either settled or a firm offer for settlement was extended, thereby establishing an accrual amount that is both probable and reasonably estimable.

NOTE 14—FAIR VALUE MEASUREMENTS

Other than the convertible notes and warrants, as well as the equity interests, the carrying amounts of the Company's financial instruments are equal to fair value at March 31, 2022. *See* Note 12—Debt for additional information on the convertible notes and warrants, and *see* Note 7—Equity Investment for additional information on the equity interests in Stash and EarnUp.

In 2018, the Company acquired all of the outstanding equity interests of QuoteWizard.com, LLC (“QuoteWizard”). In the first quarter of 2021 the company recorded $0.8 million of expense for the change in fair value of the contingent consideration related to the QuoteWizard acquisition. The earnout was completed in 2021 and there were no earnout payments related to the acquisition in 2021.

Contingent consideration payments related to acquisitions are measured at fair value each reporting period using Level 3 unobservable inputs. The changes in the fair value of the Company's Level 3 liabilities are as follows *(in thousands)*:

	Three Months Ended March 31, 2021
Contingent consideration, beginning of period	**$ 8,249**
Transfers into Level 3	—
Transfers out of Level 3	—
Total net losses (gains) included in earnings (realized and unrealized)	797
Purchases, sales and settlements:	
Additions	—
Payments	—
Contingent consideration, end of period	**$ 9,046**

NOTE 15—SEGMENT INFORMATION

The Company manages its business and reports its financial results through the following three operating and reportable segments: Home, Consumer and Insurance. Characteristics which were relied upon in making the determination of the reportable segments include the nature of the products, the organization's internal structure, and the information that is regularly reviewed by the chief operating decision maker for the purpose of assessing performance and allocating resources.

The Home segment includes the following products: purchase mortgage, refinance mortgage, home equity loans and lines of credit, reverse mortgage loans, and real estate. The Consumer segment includes the following products: credit cards, personal loans, small business loans, student loans, auto loans, deposit accounts, and other credit products such as credit repair and debt settlement. The Insurance segment consists of insurance quote products and insurance policies in the agency businesses.

The following tables are a reconciliation of segment profit, which is the Company's primary segment profitability measure, to income before income taxes and discontinued operations. Segment marketing expense represents the portion of selling and marketing expense attributable to variable costs paid for advertising, direct marketing and related expenses, that are directly attributable to the segments' products. This measure excludes overhead, fixed costs and personnel-related expenses.

	Three Months Ended March 31, 2022				
	Home	Consumer	Insurance	Other	Total
			(in thousands)		
Revenue	$ 101,944	$ 101,068	$ 80,038	$ 128	$ 283,178
Segment marketing expense	66,035	58,561	58,935	183	183,714
Segment profit (loss)	**35,909**	**42,507**	**21,103**	**(55)**	**99,464**
Cost of revenue					15,561
Brand and other marketing expense					20,443
General and administrative expense					35,973
Product development					14,052
Depreciation					4,854
Amortization of intangibles					7,917
Severance					3,625
Litigation settlements and contingencies					(27)
Operating loss					**(2,934)**
Interest expense, net					(7,505)
Other income					(1)
Loss before income taxes and discontinued operations					**$ (10,440)**

LENDINGTREE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Three Months Ended March 31, 2021				
	Home	Consumer	Insurance	Other	Total
	(in thousands)				
Revenue	$ 128,125	$ 57,907	$ 86,614	$ 104	$ 272,750
Segment marketing expense	89,135	33,300	53,772	196	176,403
Segment profit (loss)	**38,990**	**24,607**	**32,842**	**(92)**	**96,347**
Cost of revenue					13,895
Brand and other marketing expense					21,059
General and administrative expense					34,989
Product development					12,468
Depreciation					3,718
Amortization of intangibles					11,312
Change in fair value of contingent consideration					797
Litigation settlements and contingencies					16
Operating loss					**(1,907)**
Interest expense, net					(10,215)
Other income					40,072
Income before income taxes and discontinued operations					**$ 27,950**

NOTE 16—DISCONTINUED OPERATIONS

The results of discontinued operations include litigation settlements and contingencies and legal fees associated with legal proceedings against LendingTree, Inc. or LendingTree, LLC that arose due to the LendingTree Loans business or the HLC bankruptcy filing.

The components of net loss reported as discontinued operations in the accompanying consolidated statements of operations and comprehensive income are as follows *(in thousands)*:

	Three Months Ended March 31,	
	2022	2021
Revenue	$ —	$ —
Loss before income taxes	(4)	(353)
Income tax benefit	1	90
Net loss	**$ (3)**	**$ (263)**

NOTE 17—RESTRUCTURING ACTIVITIES

In the first quarter of 2022, the Company completed a workforce reduction of approximately 75 employees. The Company incurred total expense of $3.6 million consisting of employee separation costs of $2.5 million and non-cash compensation expense of $1.1 million due to the accelerated vesting of certain equity awards. All employee separation costs are expected to be paid by the first quarter of 2023.

	Accrued Balance at December 31, 2021	Income Statement Impact	Payments	Non-Cash	Accrued Balance at March 31, 2022
First quarter of 2022 action					
Employee separation payments	$ —	$ 2,542	$ (1,828)	$ —	$ 714
Non-cash compensation	$ —	$ 1,083	$ —	$ (1,083)	$ —
	$ —	**$ 3,625**	**$ (1,828)**	**$ (1,083)**	**$ 714**

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Cautionary Statement Regarding Forward-Looking Information

This report contains "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements related to our anticipated financial performance, business prospects and strategy; anticipated trends and prospects in the various industries in which our businesses operate; new products, services and related strategies; and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as "anticipates," "estimates," "expects," "projects," "intends," "plans" and "believes," among others, generally identifies forward-looking statements.

Actual results could differ materially from those contained in the forward-looking statements. Factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include those matters discussed or referenced in Part II, Item 1A. *Risk Factors* included elsewhere in this quarterly report and Part I, Item 1A. *Risk Factors* of the 2021 Annual Report.

Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of LendingTree, Inc.'s management as of the date of this report. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results or expectations, except as required by law.

Company Overview

LendingTree, Inc. is the parent of LT Intermediate Company, LLC, which holds all of the outstanding ownership interests of LendingTree, LLC, and LendingTree, LLC owns several companies.

We operate what we believe to be the leading online consumer platform that connects consumers with the choices they need to be confident in their financial decisions. Our online consumer platform provides consumers with access to product offerings from our Network Partners, including mortgage loans, home equity loans, reverse mortgage loans, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans, insurance quotes and other related offerings. In addition, we offer tools and resources, including free credit scores, that facilitate comparison shopping for loans, deposit products, insurance and other offerings. We seek to match consumers with multiple providers, who can offer them competing quotes for the product, or products, they are seeking. We also serve as a valued partner to lenders and other providers seeking an efficient, scalable and flexible source of customer acquisition with directly measurable benefits, by matching the consumer inquiries we generate with these Network Partners.

Our My LendingTree platform offers a personalized comparison-shopping experience by providing free credit scores and credit score analysis. This platform enables us to monitor consumers' credit profiles and then identify and alert them to loans and other offerings on our marketplace that may be more favorable than the terms they may have at a given point in time. This is designed to provide consumers with measurable savings opportunities over their lifetimes.

We are focused on developing new product offerings and enhancements to improve the experiences that consumers and Network Partners have as they interact with us. By expanding our portfolio of financial services offerings, we are growing and diversifying our business and sources of revenue. We intend to capitalize on our expertise in performance marketing, product development and technology, and to leverage the widespread recognition of the LendingTree brand, to effect this strategy.

We believe the consumer and small business financial services industry is still in the early stages of a fundamental shift to online product offerings, similar to the shift that started in retail and travel many years ago and is now well established. We believe that like retail and travel, as consumers continue to move towards online shopping and transactions for financial services, suppliers will increasingly shift their product offerings and advertising budgets toward the online channel. We believe the strength of our brands and of our partner network place us in a strong position to continue to benefit from this market shift.

The LendingTree Loans business is presented as discontinued operations in the accompanying consolidated balance sheets, consolidated statements of operations and comprehensive income and consolidated statements of cash flows for all periods presented. Except for the discussion under the heading "Discontinued Operations," the analysis within Management's Discussion and Analysis of Financial Condition and Results of Operations reflects our continuing operations.

Economic Conditions

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus ("COVID-19"). The pandemic has significantly impacted the economic conditions in the U.S., as federal, state and local governments react to the public health crisis, creating significant uncertainties in the U.S. economy. The downstream impact of various lockdown orders and related economic pullback are affecting our business and marketplace participants to varying degrees. We are continuously monitoring the impacts of the current economic conditions related to the COVID-19 pandemic and the effect on our business, financial condition and results of operations.

Of our three reportable segments, the Consumer segment was most impacted as unsecured credit and the flow of capital in certain areas of the market have contracted. The impact to our Home and Insurance segments was much less substantial. Most of our selling and marketing expenses are variable costs that we adjust dynamically in relation to revenue opportunities to profitably meet demand. Thus, as our revenue was negatively impacted during the recession, our marketing expenses generally decreased in line with revenue.

Segment Reporting

We have three reportable segments: Home, Consumer and Insurance.

Recent Business Acquisitions

On February 28, 2020, we acquired an equity interest in Stash for $80.0 million. On January 6, 2021 we acquired an additional equity interest for $1.2 million. Stash is a consumer investing and banking platform. Stash brings together banking, investing, and financial services education into one seamless experience offering a full suite of personal investment accounts, traditional and Roth IRAs, custodial investment accounts, and banking services, including checking accounts and debit cards with a Stock-Back® rewards program. In the fourth quarter of 2021, we sold a portion of our investment in Stash for $46.3 million, realizing a gain on the sale of $27.9 million.

In January 2022, the Company acquired an equity interest in EarnUp for $15.0 million. EarnUp is a consumer-first mortgage payment platform that intelligently automates loan payment scheduling and helps consumers better manage their money and improve their financial well-being. *See* Note 7—Equity Investment for additional information on the equity interest in EarnUp.

North Carolina Office Properties

Our new corporate office is located on approximately 176,000 square feet of office space in Charlotte, North Carolina under an approximate 15-year lease that contractually commenced in the second quarter of 2021.

With our expansion in North Carolina, in December 2016, we received a grant from the state that provides up to $4.9 million in reimbursements through 2029 beginning in 2017 for investing in real estate and infrastructure in addition to increasing jobs in North Carolina at specific targeted levels through 2021, and maintaining the jobs thereafter. Additionally, the city of Charlotte and the county of Mecklenburg provided a grant that will be paid over five years and is based on a percentage of new property tax we pay on the development of a corporate headquarters. In December 2018, we received an additional grant from the state that provides an aggregate amount up to $8.4 million in reimbursements through 2032 beginning in 2021 for increasing jobs in North Carolina at specific targeted levels through 2024, and maintaining the jobs thereafter.

Recent Mortgage Interest Rate Trends

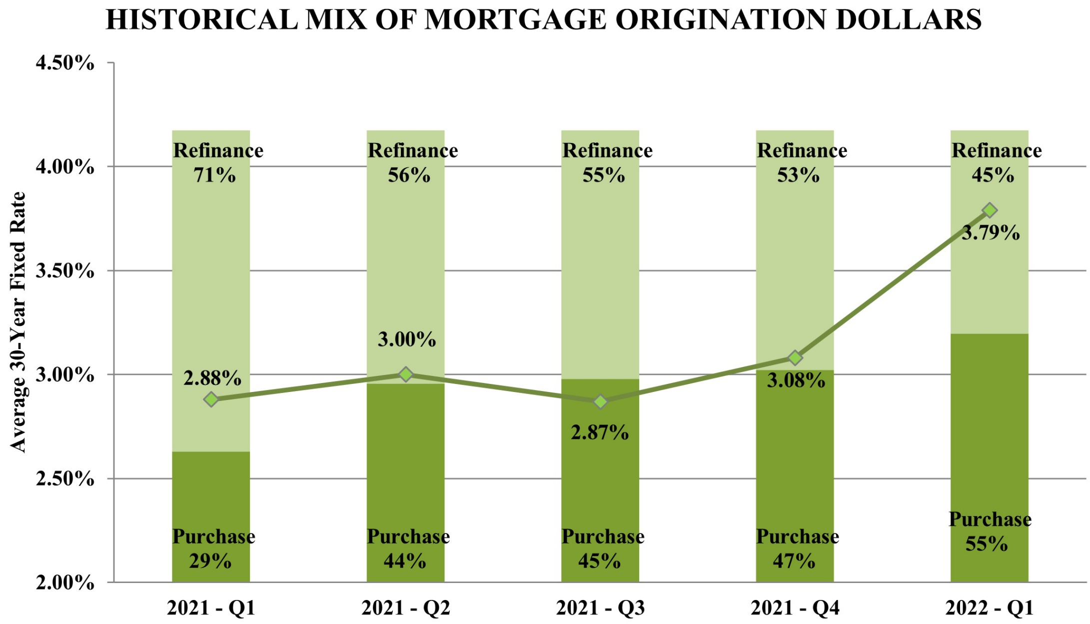
Interest rate and market risks can be substantial in the mortgage lead generation business. Short-term fluctuations in mortgage interest rates primarily affect consumer demand for mortgage refinancings, while long-term fluctuations in mortgage interest rates, coupled with the U.S. real estate market, affect consumer demand for new mortgages. Consumer demand, in turn, affects lender demand for mortgage leads from third-party sources, as well as our own ability to attract online consumers to our website.

Typically, when interest rates decline, we see increased consumer demand for mortgage refinancing, which in turn leads to increased traffic to our website and decreased selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically decreases, as there are more consumers in the marketplace seeking refinancings and, accordingly, lenders receive more organic mortgage lead volume. Due to lower lender demand, our revenue earned per consumer typically decreases, but with correspondingly lower selling and marketing costs.

Conversely, when interest rates increase, we typically see decreased consumer demand for mortgage refinancing, leading to decreased traffic to our website and higher associated selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically increases, as there are fewer consumers in the marketplace and, accordingly, the supply of organic mortgage lead volume decreases. Due to high lender demand, we typically see an increase in the amount lenders will pay per matched lead, which often leads to higher revenue earned per consumer. However, increases in the amount lenders will pay per matched lead in this situation is limited by the overall cost models of our lenders, and our revenue earned per consumer can be adversely affected by the overall reduced demand for refinancing in a rising rate environment.

We dynamically adjust selling and marketing expenditures in all interest rate environments to optimize our results against these variables.

According to Freddie Mac, 30-year mortgage interest rates increased from a monthly average of 3.10% in December 2021 to a monthly average of 4.17% in March 2022. On a quarterly basis, 30-year mortgage interest rates in the first quarter of 2022 averaged 3.79%, compared to 2.88% in the first quarter of 2021 and 3.08% in the fourth quarter of 2021.



Typically, as mortgage interest rates rise, there are fewer consumers in the marketplace seeking refinancings and, accordingly, the mix of mortgage origination dollars will move toward purchase mortgages. According to Mortgage Bankers Association ("MBA") data, total refinance origination dollars decreased to 45% of total mortgage origination dollars in the first quarter of 2022 compared to 53% in the fourth quarter of 2021. In the first quarter of 2022, total refinance origination dollars decreased 34% from the fourth quarter of 2021 and 60% from the first quarter of 2021. Industry-wide mortgage origination dollars in the first quarter of 2022 decreased 23% from the fourth quarter of 2021 and 37% from first quarter of 2021.

In April 2022, the MBA projected 30-year mortgage interest rates to increase during 2022, to an average 4.8% for the year. According to MBA projections, the mix of mortgage origination dollars is expected to move back towards purchase mortgages with the refinance share representing approximately 33% for 2022.

The U.S. Real Estate Market

The health of the U.S. real estate market and interest rate levels are the primary drivers of consumer demand for new mortgages. Consumer demand, in turn, affects lender demand for purchase mortgage leads from third-party sources. Typically, a strong real estate market will lead to reduced lender demand for leads, as there are more consumers in the marketplace seeking financing and, accordingly, lenders receive more organic lead volume. Conversely, a weaker real estate market will typically lead to an increase in lender demand, as there are fewer consumers in the marketplace seeking mortgages.

According to Fannie Mae data, existing-home sales decreased 3% in the first quarter of 2022 compared to the fourth quarter of 2021, and 4% compared to the first quarter of 2021. Fannie Mae predicts an overall decrease in existing-home sales of approximately 9% in 2022 compared to 2021.

Results of Operations for the Three Months ended March 31, 2022 and 2021

	Three Months Ended March 31,			
	2022	2021	$ Change	% Change
	(Dollars in thousands)			
Home	$ 101,944	$ 128,125	$ (26,181)	(20) %
Consumer	101,068	57,907	43,161	75 %
Insurance	80,038	86,614	(6,576)	(8) %
Other	128	104	24	23 %
Revenue	**283,178**	**272,750**	**10,428**	**4 %**
Costs and expenses:				
Cost of revenue *(exclusive of depreciation and amortization shown separately below)*	15,561	13,895	1,666	12 %
Selling and marketing expense	204,157	197,462	6,695	3 %
General and administrative expense	35,973	34,989	984	3 %
Product development	14,052	12,468	1,584	13 %
Depreciation	4,854	3,718	1,136	31 %
Amortization of intangibles	7,917	11,312	(3,395)	(30) %
Change in fair value of contingent consideration	—	797	(797)	(100) %
Restructuring and severance	3,625	—	3,625	100 %
Litigation settlements and contingencies	(27)	16	(43)	(269) %
Total costs and expenses	**286,112**	**274,657**	**11,455**	**4 %**
Operating loss	**(2,934)**	**(1,907)**	**(1,027)**	**(54) %**
Other (expense) income, net:				
Interest expense, net	(7,505)	(10,215)	(2,710)	(27) %
Other (expense) income	(1)	40,072	(40,073)	(100) %
(Loss) income before income taxes	**(10,440)**	**27,950**	**(38,390)**	**(137) %**
Income tax expense	(383)	(8,638)	(8,255)	(96) %
Net (loss) income from continuing operations	**(10,823)**	**19,312**	**(30,135)**	**(156) %**
Loss from discontinued operations, net of tax	(3)	(263)	(260)	(99) %
Net (loss) income and comprehensive (loss) income	**$ (10,826)**	**$ 19,049**	**$ (29,875)**	**(157) %**

Revenue

Revenue increased in the first quarter of 2022 compared to the first quarter of 2021 due to an increase in our Consumer segment, partially offset by decreases in our Home and Insurance segments.

Our Consumer segment includes the following products: credit cards, personal loans, small business loans, student loans, auto loans, deposit accounts, and other credit products such as credit repair and debt settlement. Many of our Consumer segment products are not individually significant to revenue. Revenue from our Consumer segment increased $43.2 million in the first quarter of 2022 from the first quarter of 2021, or 75%, primarily due to increases in our personal loans, credit cards and small business loans.

Revenue from our credit cards product increased $12.2 million to $29.8 million in the first quarter of 2022 from $17.6 million in the first quarter of 2021, or 69%, primarily due to an increase in revenue earned per approval and an increase in the number of approvals.

Revenue from our personal loans product increased $20.3 million to $35.2 million in the first quarter of 2022 from $14.9 million in the first quarter of 2021, or 137%, primarily due to an increase in the number of consumers completing request forms and an increase in revenue earned per consumer.

For the periods presented, no other products in our Consumer segment represented more than 10% of revenue; however, certain other Consumer products experienced notable changes primarily due to the impact of economic conditions related to the COVID-19 pandemic. Revenue from our small business loans product increased $10.7 million in the first quarter of 2022 compared to the first quarter of 2021, primarily due to increase in revenue earned per consumer and an increase in the number of consumers completing request forms.

Our Home segment includes the following products: purchase mortgage, refinance mortgage, home equity loans, reverse mortgage loans, and real estate. Revenue from our Home segment decreased $26.2 million in the first quarter of 2022 from the first quarter of 2021, or 20%, primarily due to an decrease in revenue from our refinance mortgage product, partially offset by a increase in our home equity and purchase mortgage products. Revenue from our refinance mortgage product decreased $47.6 million in the first quarter of 2022 compared to the first quarter of 2021, due to a shift in lender focus towards purchase products as well as a decrease in the number of consumers completing request forms as interest rates have risen. Revenue from our home equity loans product increased $12.2 million in the first quarter of 2022 compared to the first quarter of 2021, primarily due to an increase in revenue earned per consumer. Revenue from our purchase mortgage product increased $9.2 million in the first quarter of 2022 compared to the first quarter of 2021, primarily due to a shift in lender focus back towards purchase products as well as an increase in revenue earned per consumer.

Revenue from our Insurance segment decreased $6.6 million to $80.0 million in the first quarter of 2022 from $86.6 million in the first quarter of 2021, or 8%, due to an decrease in the number of consumers seeking insurance coverage, partially offset by an increase in revenue earned per consumer.

Cost of revenue

Cost of revenue consists primarily of costs associated with compensation and other employee-related costs (including stock-based compensation) relating to internally-operated customer call centers, third-party customer call center fees, costs for online advertising resold to third parties, credit scoring fees, credit card fees, website network hosting and server fees.

Cost of revenue increased in the first quarter of 2022 from the first quarter of 2021, primarily due to a $1.4 million increase in website network hosting and server hosting fees.

Cost of revenue as a percentage of revenue remained consistent at 5% for each of the first quarters of 2022 and 2021.

Selling and marketing expense

Selling and marketing expense consists primarily of advertising and promotional expenditures and compensation and other employee-related costs (including stock-based compensation) for personnel engaged in sales or marketing functions. Advertising and promotional expenditures primarily include online marketing, as well as television, print and radio spending. Advertising production costs are expensed in the period the related ad is first run.

Selling and marketing expense increased in the first quarter of 2022 compared to the first quarter of 2021 primarily due to increases in advertising and promotional expense discussed below. Additionally, compensation and benefits increased $1.3 million as a result of an increase in headcount.

Advertising and promotional expense is the largest component of selling and marketing expense, and is comprised of the following:

	Three Months Ended March 31,			
	2022	2021	$ Change	% Change
	(Dollars in thousands)			
Online	$ 182,473	$ 176,821	$ 5,652	3 %
Broadcast	840	1,167	(327)	(28) %
Other	5,764	5,715	49	1 %
Total advertising expense	**$ 189,077**	**$ 183,703**	**$ 5,374**	**3 %**

Revenue is primarily driven by Network Partner demand for our products, which is matched to corresponding consumer requests. We adjust our selling and marketing expenditures dynamically in relation to anticipated revenue opportunities in order to ensure sufficient consumer inquiries to profitably meet such demand. An increase in a product's revenue is generally met by a corresponding increase in marketing spend, and conversely a decrease in a product's revenue is generally met by a corresponding decrease in marketing spend. This relationship exists for our Home, Consumer and Insurance segments.

We adjusted our advertising expenditures in the first quarter of 2022 compared to the first quarter of 2021 in response to changes in Network Partner demand on our marketplace. We will continue to adjust selling and marketing expenditures dynamically in response to anticipated revenue opportunities.

General and administrative expense

General and administrative expense consists primarily of compensation and other employee-related costs (including stock-based compensation) for personnel engaged in finance, legal, tax, corporate information technology, human resources and executive management functions, as well as facilities and infrastructure costs and fees for professional services.

General and administrative expense increased in the first quarter of 2022 compared to the first quarter of 2021, primarily due to increases in technology and other tax expense of $1.5 million and $1.8 million, respectively. This was partially offset by decreases in compensation and benefits and professional fees of $2.4 million and $1.2 million, respectively.

General and administrative expense as a percentage of revenue remained consistent at 13% for each of the first quarters of 2022 and 2021.

Product development

Product development expense consists primarily of compensation and other employee-related costs (including stock-based compensation) and third-party labor costs that are not capitalized, for employees and consultants engaged in the design, development, testing and enhancement of technology.

Product development expense increased in the first quarter of 2022 compared to the first quarter of 2021 as we continued to invest in internal development of new and enhanced features, functionality and business opportunities that we believe will enable us to better and more fully serve consumers and Network Partners.

Amortization of intangibles

The decrease in amortization of intangibles in the first quarter of 2022 compared to the first quarter of 2021 was due to certain intangible assets associated with our recent business acquisitions becoming fully amortized.

Contingent consideration

During the first quarter of 2022, we did not record contingent consideration expense. All earnouts were completed prior to 2022.

During the first quarter of 2021, we recorded an aggregate gain of $0.8 million due to adjustments in the estimated fair value of the earnout payments related to the QuoteWizard acquisition.

Restructuring and severance

In the first quarter of 2022, we completed a workforce reduction of approximately 75 employees. The Company incurred total expense of $3.6 million consisting of employee separation costs of $2.5 million and non-cash compensation expense of $1.1 million due to the accelerated vesting of certain equity awards. All employee separation costs are expected to be paid by the first quarter of 2023.

Interest expense

Interest expense decreased in the first quarter of 2022 compared to the first quarter of 2021 primarily due to the adoption of ASU 2020-06 on January 1, 2022, whereby we derecognized the remaining debt discounts on the 2022 Notes and 2025 Notes and therefore no longer recognize any amortization of debt discounts as interest expense partially offset by an increase in interest from our Term Loan Facility. *See* Note—2 Significant Accounting Policies for additional information.

Other income

For the first quarter of 2021, other income primarily consists of a $40.1 million gain on our investment in Stash as a result of an adjustment to the fair value based on observable market events. *See* Note 7—Equity Investment for additional information on the equity interest in Stash.

Income tax expense

For the first quarter of 2022, the effective tax rate varied from the federal statutory rate of 21% primarily due to excess tax expense of $2.5 million and the effect of state taxes. For the first quarter of 2021, the effective tax rate varied from the federal statutory rate of 21% primarily due to the effect of state taxes.

Segment Profit

	Three Months Ended March 31,			
	2022	2021	$ Change	% Change
	(Dollars in thousands)			
Home	$ 35,909	$ 38,990	$ (3,081)	(8) %
Consumer	42,507	24,607	17,900	73 %
Insurance	21,103	32,842	(11,739)	(36) %
Other	(55)	(92)	37	40 %
Segment profit	**$ 99,464**	**$ 96,347**	**$ 3,117**	**3 %**

Segment profit is our primary segment operating metric. Segment profit is calculated as segment revenue less segment selling and marketing expenses attributed to variable costs paid for advertising, direct marketing and related expenses that are directly attributable to the segments' products. *See* Note 15—Segment Information in the notes to the consolidated financial statements for additional information on segments and a reconciliation of segment profit to pre-tax income from continuing operations.

Home

Revenue in our Home segment was $101.9 million in the first quarter of 2022, a decrease of 20% from the first quarter of 2021, with segment profit of $35.9 million in the first quarter of 2022, a decrease of 8% from the first quarter of 2021, as we experienced historically high refinance volumes in the first quarter of 2021. The 30-year mortgage interest rates, according to Freddie Mac, increased from a quarterly average of 2.88% in the first quarter 2021 to 3.79% in the first quarter of 2022.

Our leadership position in the mortgage marketplace generated improved unit economics throughout the quarter, even as refinancing activity slowed significantly. Mortgage revenue per consumer increased in the first quarter of 2022 compared to the first quarter of 2021.

Home equity continues to grow as a part of our overall product mix, achieving record revenue with increases of 112% in the first quarter of 2022 compared to the first quarter of 2021. Revenue per consumer increased in the first quarter of 2022 compared to the first quarter of 2021. Purchase revenue increased 90% in the first quarter of 2022 compared to the first quarter of 2021. Persistently low home inventory and higher home prices continue to suppress purchase application volumes nationally, but revenue earned per consumer in this category continues to expand, as lenders are pivoting more towards the product with refinancing activity subsiding.

Our lender partners tend to rely on us even more at this point in the interest rate cycle to help meet their origination goals. In turn, we focus on optimizing higher converting products for them such as cash-out refinance and home equity loans. Despite the recent sharp uptick in interest rates, loans secured with home equity remain the lowest cost source of financing for most consumers that own a home.

Consumer

Revenue in our Consumer segment increased 75% to $101.1 million in the first quarter of 2022 compared to the first quarter of 2021. Segment profit in our Consumer segment increased 73% to $42.5 million, in the first quarter of 2022 compared to the first quarter of 2021.

Personal loans revenue of $35.2 million increased 137% in the first quarter of 2022 from the first quarter of 2021, as consumer demand continued to increase throughout the quarter. We expect this positive trend to continue as credit card balances are increasing at an unprecedented rate and are projected to reach a record level by the middle of this year. Increased card balances should drive increased demand for the product as consumers look to consolidate this higher cost debt with personal loan products.

Our credit card business recovery continues, generating revenue of $29.8 million in the first quarter of 2022, an increase of 69% from the first quarter of 2021. Revenue per approval increased in the first quarter of 2022 from the first quarter of 2021, as issuer partners expanded their marketing budgets. We are focused on optimizing the increasing demand for travel reward cards as restrictions continue to lift and mandates expire. Margins in the segment remain lower than historical levels. We are working to diversify our marketing mix, actively pursuing more profitable marketing channels and partnerships to expand our reach and attract more consumers. We expect these actions will lead to improved unit economics over time.

Small business growth continues at a strong pace, achieving record revenue in the first quarter, with revenue increasing 138% in the first quarter of 2022 from the first quarter of 2021. Our lender network continues to grow as we onboard additional partners and diversify our marketplace for borrowers. Our Premium Marketplace offering, launched last quarter, sorts incoming borrower traffic into risk tiers. The result is funnel optimization that has driven increased conversions and revenue per lead.

Insurance

We believe the fourth quarter of 2021 was the trough for the Insurance segment, as the challenging underwriting environment for carriers begins to ease with premium rate increases. Our business has begun to recover as a result, with revenue of $80.0 million in the first quarter of 2022, down 8% from the first quarter of 2021 but up 22% from the fourth quarter of 2021, and segment profit of $21.1 million in the first quarter of 2022, down 36% from the first quarter of 2021 and up 1% from the fourth quarter of 2021.

We are encouraged by conversations we are having with our carrier partners as they increase marketing budgets. Evidence of returning demand can be seen in our revenue per consumer, which increased in the first quarter of 2022 compared to the first quarter of 2021. The costs of those leads, however, increased as we prioritized quality for our partners, resulting in a 26% margin in the first quarter of 2021, which is significantly lower than the business has historically delivered. We expect improving margins in the second half of the year as partner demand continues to recover and our marketing costs improve.

Auto insurance rate increases from our clients are continuing to be approved in states across the country, driving improved appetite for new policy acquisition. Auto revenue in the first quarter of 2022 increased from the fourth quarter of 2021, and we expect growth to continue as the business returns to a normalized operating environment. We remain committed to capturing additional share of carrier budgets by focusing on conversion rate and lead quality and moving quickly to ensure alignment with carrier targets to meet and exceed their goals. Consumer demand, as measured by traffic to our sites, remains strong, and we expect this trend to continue as drivers shop for new policies following these rate increases.

We continue to diversify our Insurance business by entering new markets to expand our growth opportunities and increase market share.

Adjusted EBITDA

We report Adjusted EBITDA as a supplemental measure to GAAP. This measure is the primary metric by which we evaluate the performance of our businesses, on which our marketing expenditures and internal budgets are based and by which, in most years, management and many employees are compensated. We believe that investors should have access to the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP but should not be considered a substitute for or superior to GAAP results. We provide and encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measures discussed below.

Definition of Adjusted EBITDA

We report Adjusted EBITDA as net income from continuing operations adjusted to exclude interest, income tax, amortization of intangibles and depreciation, and to further exclude (1) non-cash compensation expense, (2) non-cash impairment charges, (3) gain/loss on disposal of assets, (4) gain/loss on investments, (5) restructuring and severance expenses, (6) litigation settlements and contingencies, (7) acquisitions and dispositions income or expense (including with respect to changes in fair value of contingent consideration), and (8) one-time items. Adjusted EBITDA has certain limitations in that it does not take into account the impact to our statement of operations of certain expenses, including depreciation, non-cash compensation and acquisition-related accounting. We endeavor to compensate for the limitations of the non-GAAP measures presented by also providing the comparable GAAP measures with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measures. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

One-Time Items

Adjusted EBITDA is adjusted for one-time items, if applicable. Items are considered one-time in nature if they are non-recurring, infrequent or unusual and have not occurred in the past two years or are not expected to recur in the next two years, in accordance with SEC rules. For the periods presented below, one-time items consisted of the franchise tax caused by the equity investment gain in Stash.

Non-Cash Expenses that are Excluded from Adjusted EBITDA

Non-cash compensation expense consists principally of expense associated with grants of restricted stock, restricted stock units and stock options, some of which awards have performance-based vesting conditions. Non-cash compensation expense also includes expense associated with employee stock purchase plans. These expenses are not paid in cash, and we include the related shares in our calculations of fully diluted shares outstanding. Upon settlement of restricted stock units, exercise of certain stock options or vesting of restricted stock awards, the awards may be settled, on a net basis, with us remitting the required tax withholding amount from our current funds.

Amortization of intangibles are non-cash expenses relating primarily to intangible assets acquired through acquisitions. At the time of an acquisition, the intangible assets of the acquired company, such as purchase agreements, technology and customer relationships, are valued and amortized over their estimated lives.

The following table is a reconciliation of net income from continuing operations to Adjusted EBITDA *(in thousands)*.

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net (loss) income from continuing operations	**$ (10,823)**	**$ 19,312**
Adjustments to reconcile to Adjusted EBITDA:		
Amortization of intangibles	7,917	11,312
Depreciation	4,854	3,718
Restructuring and severance	3,625	—
Loss on impairments and disposal of assets	431	348
Gain on investments	—	(40,072)
Non-cash compensation expense	13,997	16,436
Franchise tax caused by equity investment gain	1,500	—
Change in fair value of contingent consideration	—	797
Acquisition expense	9	29
Litigation settlements and contingencies	(27)	16
Interest expense, net	7,505	10,215
Income tax expense	383	8,638
Adjusted EBITDA	**$ 29,371**	**$ 30,749**

Financial Position, Liquidity and Capital Resources

General

As of March 31, 2022, we had $196.7 million of cash and cash equivalents, compared to $251.2 million of cash and cash equivalents as of December 31, 2021.

In the first quarter of 2022, we acquired an equity interest in EarnUp Inc. ("EarnUp") for $15.0 million. *See* Note 7—Equity Investment to the consolidated financial statements included elsewhere in this report for additional information on the equity interest.

On June 1, 2022 the outstanding balance of $169.7 million of our 0.625% Convertible Senior Notes will mature. It is our intent to use proceeds from the Term Loan Facility to settle the notes. *See* Note 12—Debt for additional information.

We expect our cash and cash equivalents and cash flows from operations to be sufficient to fund our operating needs for the next twelve months and beyond. Our credit facility described below is an additional potential source of liquidity. We will continue to monitor the impact of the ongoing COVID-19 pandemic on our liquidity and capital resources.

Credit Facility

On September 15, 2021, we entered into a credit agreement (the “Credit Agreement”), consisting of a $200.0 million revolving credit facility (the “Revolving Facility”), which matures on September 15, 2026, and a $250.0 million delayed draw term loan facility (the “Term Loan Facility” and together with the Revolving Facility, the “Credit Facility”), which matures on September 15, 2028 to the extent the loans thereunder will be drawn. The delayed draw commitments under the Term Loan Facility will be available until June 1, 2022. The proceeds of the Revolving Facility can be used to finance working capital, for general corporate purposes and any other purpose not prohibited by the Credit Agreement. The proceeds of the Term Loan Facility can be used to settle the Company’s 2022 Notes, including related fees, costs and expenses, and up to $80.0 million may be used for general corporate purposes and any other purposes not prohibited by the Credit Agreement. *See* Note 12—Debt for additional information.

As of May 5, 2022, we have outstanding a $0.2 million letter of credit under the Revolving Facility and the remaining borrowing capacity under the Revolving Facility is $199.8 million. No term loans have been drawn under the Term Loan Facility as of May 5, 2022.

Cash Flows from Continuing Operations

Our cash flows attributable to continuing operations are as follows:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	(in thousands)	
Net cash provided by operating activities	$ 10,000	$ 8,925
Net cash used in investing activities	(18,465)	(11,733)
Net cash used in financing activities	(46,098)	(5,000)

Cash Flows from Operating Activities

Our largest source of cash provided by our operating activities is revenues generated by our products. Our primary uses of cash from our operating activities include advertising and promotional payments. In addition, our uses of cash from operating activities include compensation and other employee-related costs, other general corporate expenditures, litigation settlements and contingencies, certain contingent consideration payments, and income taxes.

Net cash provided by operating activities attributable to continuing operations increased in the first three months of 2022 from the first three months of 2021 primarily due to favorable changes in accounts receivable and accounts payable, accrued expenses and other current liabilities, partially offset by unfavorable changes in prepaid and other current assets.

Cash Flows from Investing Activities

Net cash used in investing activities attributable to continuing operations in the first three months of 2022 of $18.5 million consisted of capital expenditures of $3.5 million primarily related to internally developed software, as well as the purchase of a $15.0 million equity interest in EarnUp.

Net cash used in investing activities attributable to continuing operations in the first three months of 2021 of $11.7 million consisted of capital expenditures of $10.6 million primarily related to internally developed software and leasehold improvements for our new principal corporate offices, as well as the purchase of an additional $1.2 million equity interest in Stash.

Cash Flows from Financing Activities

Net cash used in financing activities attributable to continuing operations in the first three months of 2022 of $46.1 million consisted primarily of $43.0 million for the repurchase of our stock and $3.1 million in withholding taxes paid upon surrender of shares to satisfy obligations on equity awards, net of proceeds from the exercise of stock options.

Net cash used in financing activities attributable to continuing operations in the first three months of 2021 of $5.0 million consisted primarily of $ $4.8 million in withholding taxes paid upon surrender of shares to satisfy obligations on equity awards, net of proceeds from the exercise of stock options.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements other than a letter of credit and our funding commitments pursuant to our surety bonds, none of which have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

New Accounting Pronouncements

For information regarding new accounting pronouncements, *see* Note 2—Significant Accounting Policies, in Part I, Item 1 *Financial Statements*.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

Other than our Credit Facility, we do not have any financial instruments that are exposed to significant market risk. We maintain our cash and cash equivalents in bank deposits and short-term, highly liquid money market investments. A hypothetical 100-basis point increase or decrease in market interest rates would not have a material impact on the fair value of our cash equivalents securities, or our earnings on such cash equivalents, but would have an effect on the interest paid on borrowings under the Credit Facility, if any. As of May 5, 2022, there were no borrowings under the Credit Facility.

Fluctuations in interest rates affect consumer demand for new mortgages and the level of refinancing activity which, in turn, affects lender demand for mortgage leads. Typically, when interest rates decline, we see increased consumer demand for mortgage refinancing, which in turn leads to increased traffic to our website and decreased selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically decreases, as there are more consumers in the marketplace seeking refinancings and, accordingly, lenders receive more organic lead volume. Due to lower lender demand, our revenue earned per consumer typically decreases but with correspondingly lower selling and marketing costs. Conversely, when interest rates increase, we typically see decreased consumer demand for mortgage refinancing, leading to decreased traffic to our website and higher associated selling and marketing efforts associated with that traffic. At the same time, lender demand for leads from third-party sources typically increases, as there are fewer consumers in the marketplace and, accordingly, the supply of organic mortgage lead volume decreases. Due to high lender demand, we typically see an increase in the amount lenders will pay per matched lead, which often leads to higher revenue earned per consumer. However, increases in the amount lenders will pay per matched lead in this situation is limited by the overall cost models of our lenders, and our revenue earned per consumer can be adversely affected by the overall reduced demand for refinancing in a rising rate environment.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), management, with the participation of our principal executive officer (our Chief Executive Officer) and principal financial officer (our Chief Financial Officer), evaluated, as of the end of the period covered by this report, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective, as of March 31, 2022, to reasonably ensure that information required to be disclosed and filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified, and that management will be timely alerted to material information required to be included in our periodic reports filed with the Securities and Exchange Commission.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. *Legal Proceedings*

In the ordinary course of business, we are party to litigation involving property, contract, intellectual property and a variety of other claims. The amounts that may be recovered in such matters may be subject to insurance coverage. We have provided information about certain legal proceedings in which we are involved in Part I, Item 3. *Legal Proceedings* of our 2021 Annual Report and updated that information in Note 13—Contingencies to the consolidated financial statements included elsewhere in this report.

Item 1A. *Risk Factors*

There have been no material changes to the risk factors included in Part I, Item 1A. *Risk Factors* of our 2021 Annual Report.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Issuer Purchases of Equity Securities

In each of February 2018 and February 2019, the board of directors authorized and we announced a stock repurchase program which allowed for the repurchase of up to $100.0 million and $150.0 million, respectively, of our common stock. Under this program, we can repurchase stock in the open market or through privately-negotiated transactions. We have used available cash to finance these repurchases. We will determine the timing and amount of any additional repurchases based on our evaluation of market conditions, applicable SEC guidelines and regulations, and other factors. This program may be suspended or discontinued at any time at the discretion of our board of directors. During the quarter ended March 31, 2022, 379,895 shares of common stock were repurchased under the stock repurchase program. As of April 28, 2022, approximately $96.7 million remains authorized for share repurchase.

Additionally, the LendingTree Seventh Amended and Restated 2008 Stock Plan and the LendingTree 2017 Inducement Grant Plan terminated by us in April 2021 allowed employees to forfeit shares of our common stock to satisfy federal and state withholding obligations upon the exercise of stock options, the settlement of restricted stock unit awards and the vesting of restricted stock awards granted to those individuals under the plans. During the quarter ended March 31, 2022, 26,697 shares were purchased related to these obligations under the LendingTree Seventh Amended and Restated 2008 Stock Plan and 161 shares were purchased related to these obligations under the LendingTree 2017 Inducement Grant Plan. The withholding of those shares does not affect the dollar amount or number of shares that may be purchased under the stock repurchase program described above.

The following table provides information about the Company's purchases of equity securities during the quarter ended March 31, 2022.

Period	Total Number of Shares Purchased [(1)]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [(2)]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
				(in thousands)
1/1/2022 - 1/31/2022	139,439	$ 129.67	138,809	$ 121,661
2/1/2022 - 2/28/2022	13,949	$ 115.41	—	$ 121,661
3/1/2022 - 3/31/2022	253,365	$ 104.17	241,086	$ 96,655
Total	**406,753**	**$ 113.30**	**379,895**	**$ 96,655**

(1) During January 2022, February 2022 and March 2022, 630 shares, 13,949 shares and 12,279 shares, respectively (totaling 26,858 shares), were purchased to satisfy federal and state withholding obligations of our employees upon the settlement of restricted stock units, all in accordance with our Seventh Amended and Restated 2008 Stock Plan and 2017 Inducement Grant Plan, as described above.

(2) See the narrative disclosure above the table for further description of our publicly announced stock repurchase program.

Item 5. ***Other Information***

None.

Item 6. *Exhibits*

Exhibit	Description	Location
3.1	Amended and Restated Certificate of Incorporation of LendingTree, Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed August 25, 2008
3.2	Fourth Amended and Restated By-laws of LendingTree, Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed November 15, 2017
10.1	LendingTree, Inc Deferred Compensation Plan	†
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	†
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	†
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	††
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	††
101.INS	XBRL Instance Document — The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	†††
101.SCH	XBRL Taxonomy Extension Schema Document	†††
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	†††
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	†††
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	†††
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	†††
104	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101)	†††

† Filed herewith.

†† Furnished herewith. This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

††† Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 5, 2022

LENDINGTREE, INC.

By: **/s/ TRENT ZIEGLER**

Trent Ziegler
Chief Financial Officer
(principal financial officer and duly authorized officer)

LendingTree, Inc.

Deferred Compensation Plan AND SUMMARY PLAN DESCRIPTION

Effective Date
January 1, 2017

LendingTree, Inc. Deferred Compensation Plan

ARTICLE I
Establishment and Purpose

LendingTree, Inc. (the "Company") hereby adopts the LendingTree, Inc. Deferred Compensation Plan (the "Plan"), effective January 1, 2017.

The purpose of the Plan is to attract and retain key employees and Directors by providing Participants with an opportunity to defer receipt of a portion of their salary, bonus, and other specified compensation. The Plan is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.

The Plan constitutes an unsecured promise by the Company to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company. The Company shall be solely responsible for payment of the benefits of its employees and their beneficiaries. The Plan is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Company within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and Department of Labor Reg. Section 2520.104-23. Any amounts set aside to defray the liabilities assumed by the Company will remain the general assets of the Company and shall remain subject to the claims of the Company's creditors until such amounts are distributed to the Participants. This Plan constitutes both the official plan document and the required summary plan description under ERISA.

ARTICLE II
Definitions

2.1 Account. Account means a bookkeeping account maintained by the Company to record the payment obligation of the Company to a Participant as determined under the terms of the Plan. The Company may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms. Reference to an Account means any such Account established by the Committee, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

2.2 Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.

2.3 Affiliate. Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

2.4 Beneficial Ownership. Beneficial Ownership has the meaning given in Rule 13d-3 promulgated under the Exchange Act.

2.5 Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant to receive payments to which a Beneficiary is entitled in accordance with provisions of the Plan. The Participant's spouse, if living, otherwise the Participant's estate, shall be the Beneficiary if: (i) the Participant has failed to properly designate a Beneficiary, or (ii) all designated Beneficiaries have predeceased the Participant.

A former spouse shall have no interest under the Plan, as Beneficiary or otherwise, unless the Participant designates such person as a Beneficiary after dissolution of the marriage, except to the extent provided under the terms of a domestic relations order as described in Code Section 414(p)(1)(B).

2.1 Board. Board means the Company's Board of Directors.

2.2 Business Day. Business Day means each day on which the New York Stock Exchange is open for business.

2.3 Change in Control. Change in Control means the happening of any of the following events:

(i) the acquisition by any individual, entity or Group (a "Person"), other than the Company, of Beneficial Ownership of equity securities of the Company representing more than 50% of the voting power of the then outstanding equity securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that any acquisition that would constitute a Change in Control under this subsection (i) that is also a Business Combination (as defined in subsection (iii) below) shall be determined exclusively under subsection (iii) below; or

(ii) individuals who, as of August 20, 2008, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to August 20, 2008, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the Incumbent Directors at such time shall become an Incumbent Director, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) consummation of a reorganization, merger, consolidation, sale or other disposition of all or substantially all of the assets of the Company, the purchase of assets or stock of another entity, or other similar corporate transaction (a "Business Combination"), in each case, unless immediately following such Business Combination, (A) more than 50% of the Resulting Voting Power shall reside in Outstanding Company Voting Securities retained by the Company's stockholders in the Business Combination and/or voting securities received by such stockholders in the Business Combination on account of Outstanding Company Voting Securities, and (B) at least a majority of the members of the board of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination were Incumbent Directors at the time of the initial agreement, or action of the Board, providing for such Business Combination; or

(iv) consummation of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, if any of the events listed in subsections (i) through (iv) above does not qualify as a "change in control event" pursuant to Treas. Reg. Section 1.409A-3(i)(5) then such event shall not be a Change in Control for purposes of this Plan to the extent that treating it as a Change in Control would cause the imposition of additional taxes under Code Section 409A.

2.9 Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XII of this Plan.

2.10 Code. Code means the Internal Revenue Code of 1986, as amended from time to time.

2.11 Code Section 409A. Code Section 409A means section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.

2.12 Committee. Committee means the committee of Directors appointed by the Board to administer the Plan. Unless provided otherwise by the Board, the Compensation Committee shall serve as the Committee.

2.13 Company. Company means LendingTree, Inc., a Delaware corporation.

2.14 Company Contribution. Company Contribution means a credit by the Company to a Participant's Account(s) in accordance with the provisions of Article V of the Plan. Company Contributions are credited at the sole discretion of the Company and the fact that a Company Contribution is credited in one year shall not obligate the Company to continue to make such Company Contribution in subsequent years. Unless the context clearly indicates otherwise, a reference to Company Contribution shall include Earnings attributable to such contribution.

2.15 Company Stock. Company Stock means shares of common stock issued by Company.

2.16 Company Phantom Stock. Company Phantom Stock means notional shares of common stock of the Company that are intended to track the performance of Company Stock for purposes of this Plan.

2.17 Compensation. Compensation means a Participant's base salary, bonus, Director fees and such other cash or equity-based compensation (if any) approved by the Committee as Compensation that may be deferred under this Plan. Compensation shall not include any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A.

2.18 Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and the Company that specifies: (i) the amount of each component of Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV, and (ii) the Payment Schedule applicable to one or more Accounts. The Committee may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. Unless otherwise specified by the Committee in the Compensation Deferral Agreement, Participants may defer up to 75% of their base salary and up to 100% of bonus, incentive compensation, Director fees and/or equity awards (if permitted) for a Plan Year. A Compensation Deferral Agreement may also specify the investment allocation described in Section 8.4.

2.19 Death Benefit. Death Benefit means the benefit payable under the Plan to a Participant's Beneficiary(ies) upon the Participant's death as provided in Section 6.1 of the Plan.

2.20 Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.

Deferrals shall be calculated with respect to the gross cash Compensation payable to the Participant prior to any deductions or withholdings, but shall be reduced by the Committee as necessary so that it does not exceed 100% of the cash Compensation of the Participant remaining after deduction of all required income and employment taxes, 401(k) and other employee benefit deductions, and other deductions required by law.
Changes to payroll withholdings that affect the amount of Compensation being deferred to the Plan shall be allowed only to the extent permissible under Code Section 409A.

2.21 Director. Director means a member of the Board.

2.22 Disabled (or Disability). Disabled means that a Participant is, by reason of any medically- determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months: (i) unable to engage in any substantial gainful activity, or (ii) receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant's Employer. The Committee shall determine whether a Participant is Disabled in accordance with Code Section 409A provided, however, that a Participant shall be deemed to be Disabled if determined to be totally disabled by the Social Security Administration

2.23 Earnings. Earnings means an adjustment to the value of an Account in accordance with Article VIII.

2.24 Effective Date. Effective Date means January 1, 2017.

2.25 Eligible Employee. Eligible Employee means a member of a "select group of management or highly compensated employees" of the Company within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, as determined by the Committee from time to time in its sole discretion.

2.26 Employee. Employee means a common-law employee of an Employer.

2.27 Employer. Employer means the Company and each Affiliate.

2.28 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.29 Exchange Act. Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

2.30 Fiscal Year Compensation. Fiscal Year Compensation means Compensation earned during one or more consecutive fiscal years of the Company, all of which is paid after the last day of such fiscal year or years.

2.31 Group. Group has the meaning given in Section 13(d)(3) and 14(d)(2) of the Exchange Act.

2.32 Participant. Participant means an Eligible Employee or a Director who has received notification of his or her eligibility to defer Compensation under the Plan under Section 3.1 and any other person with an Account Balance greater than zero, regardless of whether such individual continues to be an Eligible Employee or a Director. A Participant's continued participation in the Plan shall be governed by Section 3.2 of the Plan.

2.33 Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Plan will commence and the form in which payment of such Account will be made.

2.34 Performance-Based Compensation. Performance-Based Compensation means Compensation where the amount of, or entitlement to, the Compensation is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months. Organizational or individual performance criteria are considered pre-established if established in writing by not later than 90 days after the commencement of the period of service to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. The determination of whether Compensation qualifies as "Performance- Based Compensation" will be made in accordance with Treas. Reg. Section 1.409A-1(e) and subsequent guidance.

2.35 Plan. Generally, the term Plan means the "LendingTree, Inc. Deferred Compensation Plan" as documented herein and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also mean a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.

2.36 Plan Year. Plan Year means January 1 through December 31.

2.37 Resulting Voting Power. Resulting Voting Power means the outstanding combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or equivalent governing body, if applicable) of the entity resulting from a “Business Combination” (as defined in Section 2.8) (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries).

2.38 Separation from Service. Separation from Service means an Employee’s termination of employment with the Employer. A Director incurs a Separation from Service upon the expiration of all contracts with the Employer, provided the contractual relationship has in good faith been completely terminated. Whether a Separation from Service has occurred shall be determined by the Committee in accordance with Code Section 409A.

Except in the case of an Employee on a bona fide leave of absence as provided below, an Employee is deemed to have incurred a Separation from Service if the Company and the Employee reasonably anticipated that the level of services to be performed by the Employee after a date certain (which would be the date of the Separation from Service) would be reduced to 20% or less of the average services rendered by the Employee during the immediately preceding 36-month period (or the total period of employment, if less than 36 months), disregarding periods during which the Employee was on a bona fide leave of absence.

An Employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence (other than disability leave) which has a duration of greater than six months is deemed to have incurred a Separation from Service on the first date immediately following the later of: (i) the six month anniversary of the commencement of the leave, or (ii) the expiration of the Employee’s right, if any, to reemployment under statute or contract.

If a Participant is both a Director and an Employee, the services provided as a Director shall be disregarded in determining whether there has been a Separation from Service as an Employee, and the services provided as an Employee shall be disregarded in determining whether there has been a Separation from Service as a Director, provided the portion of the Plan in which the Participant participates as a Director is substantially similar to arrangements covering non-Employee Directors.

For purposes of determining whether a Separation from Service has occurred, the Company means the Company and its Affiliates, except that in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(b), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(c), “at least 50 percent” shall be used instead of “at least 80 percent” each place it appears in those sections.

The Committee specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to a Participant providing services to the seller immediately prior to the transaction and providing services to the buyer after the transaction. Such determination shall be made in accordance with the requirements of Code Section 409A.

2.39 Specified Date Account. Specified Date Account means an Account established by the Committee to record the amounts payable at a future date as specified in the Participant's Compensation Deferral Agreement. Unless otherwise determined by the Committee, a Participant may maintain no more than five Specified Date Accounts. A Specified Date Account may be identified in enrollment materials as an "In-Service Account" or such other name as established by the Committee without affecting the meaning thereof.

2.40 Specified Date Benefit. Specified Date Benefit means the benefit payable to a Participant under the Plan in accordance with Section 6.1(c).

2.41 Specified Employee. Specified Employee means an Employee who, as of the date of his or her Separation from Service, is a "key employee" of the Company or any Affiliate, any stock of which is actively traded on an established securities market or otherwise.

An Employee is a key employee if he or she meets the requirements of Code Section 416(i)(1)(A)(i), (ii), or (iii) (applied in accordance with applicable regulations thereunder and without regard to Code Section 416(i)(5)) at any time during the 12-month period ending on the Specified Employee Identification Date. Such Employee shall be treated as a key employee for the entire 12-month period beginning on the Specified Employee Effective Date.

For purposes of determining whether an Employee is a Specified Employee, the compensation of the Employee shall be determined in accordance with the definition of compensation provided under Treas. Reg. Section 1.415(c)-2(d)(2) (wages, salaries, fees for professional services, and other amounts received for personal services actually rendered in the course of employment with the employer maintaining the plan, to the extent such amounts are includible in gross income or would be includible but for an election under section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b), including the earned income of a self-employed individual).

Notwithstanding anything in this paragraph to the contrary: (i) if a different definition of compensation has been designated by the Company with respect to another nonqualified deferred compensation plan in which a key employee participates, the definition of compensation shall be the definition provided in Treas. Reg. Section 1.409A-1(i)(2), and (ii) the Company may through action that is legally binding with respect to all nonqualified deferred compensation plans maintained by the Company, elect to use a different definition of compensation.

In the event of corporate transactions described in Treas. Reg. Section 1.409A-1(i)(6), the identification of Specified Employees shall be determined in accordance with the default rules described therein, unless the Company elects to utilize the available alternative methodology through designations made within the timeframes specified therein.

2.42 Specified Employee Identification Date. Specified Employee Identification Date means December 31, unless the Company has elected a different date through action that is legally binding with respect to all nonqualified deferred compensation plans maintained by the Company.

2.43 Specified Employee Effective Date. Specified Employee Effective Date means the first day of the fourth month following the Specified Employee Identification Date, or such earlier date as is selected by the Committee.

2.44 Substantial Risk of Forfeiture. Substantial Risk of Forfeiture means the description specified in Treas. Reg. Section 1.409A-1(d).

2.45 Termination Account. Termination Account means an Account established by the Committee to record the amounts payable to a Participant upon Separation from Service. Unless the Participant has established a Specified Date Account, all Deferrals and Company Contributions shall be allocated to a Termination Account on behalf of the Participant.

2.46 Termination Benefit. Termination Benefit means the benefit payable to a Participant under the Plan following the Participant's Separation from Service.

2.47 Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152, without regard to section 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Committee.

2.48 Valuation Date. Valuation Date means each Business Day.

2.49 Year of Service. Year of Service means, with respect to a Participant, each 12-month period of continuous service that the Participant completes with the Employer.

ARTICLE III
Eligibility and Participation

3.1 Eligibility and Participation. An Eligible Employee or a Director becomes a Participant upon the earlier to occur of: (i) a credit of Company Contributions under Article V, or (ii) receipt of notification of eligibility to participate.

3.2 Duration. A Participant shall be eligible to defer Compensation and receive allocations of Company Contributions, subject to the terms of the Plan, for as long as such Participant remains an Eligible Employee or a Director. A Participant who is no longer an Eligible Employee or a Director but has not experienced a Separation from Service may not defer Compensation under the Plan beyond the Plan Year in which he or she became ineligible but may otherwise exercise all of the rights of a Participant under the Plan with respect to his or her Account(s). On and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero (0), and during such time may continue to make allocation elections as provided in Section 8.4. An individual shall cease being a Participant in the Plan when all benefits under the Plan to which he or she is entitled have been paid.

ARTICLE IV
Deferrals

4.1 Deferral Elections, Generally.

(a) A Participant may elect to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Committee and in the manner specified by the Committee, but in any event, in accordance with Section 4.2. A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation shall be considered void and shall have no effect with respect to such service period or Compensation. The Committee may modify any Compensation Deferral Agreement prior to the date the election becomes irrevocable under the rules of Section 4.2.

(b) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and whether to allocate Deferrals to a Termination Account or to a Specified Date Account. If no designation is made, Deferrals shall be allocated to the Termination Account. A Participant may also specify in his or her Compensation Deferral Agreement the Payment Schedule applicable to his or her Plan Accounts. If the Payment Schedule is not specified in a Compensation Deferral Agreement, the Payment Schedule shall be the Payment Schedule specified in Section 6.2.

4.2 Timing Requirements for Compensation Deferral Agreements.

(a) *First Year of Eligibility.* In the case of the first year in which an Eligible Employee or a Director becomes eligible to participate in the Plan, he or she has up to 30 days following his or her initial eligibility to submit a Compensation Deferral Agreement with respect to Compensation to be earned during such year. The Compensation Deferral Agreement described in this paragraph becomes irrevocable upon the end of such 30-day period. The determination of whether an Eligible Employee or a Director may file a Compensation Deferral Agreement under this paragraph shall be determined in accordance with the rules of Code Section 409A, including the provisions of Treas. Reg. Section 1.409A-2(a)(7).

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned on and after the date the Compensation Deferral Agreement becomes irrevocable.

(b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, Participants may defer Compensation by filing a Compensation Deferral Agreement no later than December 31 of the year prior to the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement described in this paragraph shall become irrevocable with respect to such Compensation as of January 1 of the year in which such Compensation is earned.

(c) *Performance-Based Compensation.* Participants may file a Compensation Deferral Agreement with respect to Performance-Based Compensation no later than the date that is six months before the end of the performance period, provided that:

(i) the Participant performs services continuously from the later of the beginning of the performance period or the date the criteria are established through the date the Compensation Deferral Agreement is submitted; and
(ii) the Compensation is not readily ascertainable as of the date the Compensation Deferral Agreement is filed.

A Compensation Deferral Agreement becomes irrevocable with respect to Performance-Based Compensation as of the day immediately following the latest date for filing such election. Any election to defer Performance-Based Compensation that is made in accordance with this paragraph and that becomes payable as a result of the Participant's death or Disability or upon a Change in Control prior to the satisfaction of the performance criteria, will be void.

(d) *Fiscal Year Compensation.* A Participant may defer Fiscal Year Compensation by filing a Compensation Deferral Agreement prior to the first day of the fiscal year or years in which such Fiscal Year Compensation is earned. The Compensation Deferral Agreement described in this paragraph becomes irrevocable on the first day of the fiscal year or years to which it applies.

(e) *Short-Term Deferrals.* Compensation that meets the definition of a "short-term deferral" described in Treas. Reg. Section 1.409A-1(b)(4) may be deferred in accordance with the rules of Article VII, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence, provided, however, that the provisions of Section 7.3 shall not apply to payments attributable to a Change in Control Event (as defined in Treas. Reg. Section 1.409A-3(i)(5)).

(f) *Certain Forfeitable Rights.* With respect to a legally binding right to a payment in a subsequent year that is subject to a forfeiture condition requiring the
Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right, an election to defer such Compensation may be made on or before the 30th day after the Participant obtains the legally binding right to the Compensation, provided that the election is made at least 12 months in advance of the earliest date at which the forfeiture condition could lapse. The Compensation Deferral Agreement described in this paragraph becomes irrevocable after such 30th day. If the forfeiture condition applicable to the payment lapses before the end of the required service period as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-3(i)(4))

or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)), the Compensation Deferral Agreement will be void unless it would be considered timely under another rule described in this Section.

(g) *Company Awards.* The Company may unilaterally provide for deferrals of Company awards prior to the date of such awards. Deferrals of Company awards (such as sign-on, retention, or severance pay) may be negotiated with a Participant prior to the date the Participant has a legally binding right to such Compensation.

(h) *Annual Deferral Elections.* A Compensation Deferral Agreement will only apply to the Plan Year to which it refers and shall not carry over into subsequent Plan Years.

4.3 Allocation of Deferrals. A Compensation Deferral Agreement may allocate Deferrals to one or more Specified Date Accounts and/or to the Termination Account. The Committee may, in its discretion, establish a minimum deferral period for the establishment of a Specified Date Account (for example, the third Plan Year following the year Compensation is allocated to such accounts.).

4.4 Deductions from Pay. The Committee has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant's Compensation.

4.5 Vesting. Participant Deferrals shall be 100% vested at all times.

4.6 Cancellation of Deferrals. The Committee may cancel a Participant's Deferrals: (i) for the balance of the Plan Year in which an Unforeseeable Emergency occurs, (ii) if the Participant receives a hardship distribution under the Company qualified 401(k) plan, through the end of the Plan Year in which the six month anniversary of the hardship distribution falls, and (iii) during periods in which the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months, provided cancellation occurs by the later of the end of the taxable year of the Participant or the 15th day of the third month following the date the Participant incurs the event as described in paragraph (iii).

ARTICLE V
Company Contributions

5.1 Discretionary Company Contributions. The Company may, from time to time in its sole and absolute discretion, credit Company Contributions to any Participant in any amount determined by the Company. Such contributions will be credited to a Participant's Termination Account.

5.2 Vesting. Company Contributions described in Section 5.1, above, and the Earnings thereon, shall vest in accordance with the vesting schedule(s) established by the Committee at the time that the Company Contribution is made. All Company Contributions shall become 100% vested upon the occurrence of the earliest of: (i) the death of the Participant while actively employed or (ii) Participant's Disability. In addition, the Company may, at any time, in its sole discretion, increase a Participant's vested interest in a Company Contribution, which can be based on accelerated vesting provisions that the Participant is subject to with respect to other compensation arrangements (e.g. equity awards) with the Company. The portion of a Participant's Accounts that remains unvested upon his or her Separation from Service after the application of the terms of this Section 5.2 shall be forfeited without consideration.

ARTICLE VI
Benefits

6.1 Benefits, Generally. A Participant shall be entitled to the following benefits under the Plan:

(a) *Termination Benefit.* Upon the Participant's Separation from Service for reasons other than death, he or she shall be entitled to a Termination Benefit. The Termination Benefit shall be equal to the vested portion of the Termination Account and any Specified Date Account(s) that has not commenced distribution as of the Separation from Service date. The Termination Benefit shall be based on the value of the Account(s) as of the end of the month following the month in which Separation from Service occurs or such later date as the Committee, in its sole discretion, shall determine.

Notwithstanding the foregoing, with respect to a Participant who is a Specified Employee as of the date such Participant incurs a Separation from Service (other than due to Participant's death), payment of the Termination Benefit will be made or begin on the first day of the seventh month following such Separation from Service. If the Termination Benefit is to be paid in the form of installments, any subsequent installment payments to a Specified Employee will be paid on the anniversary of the first day of the seventh month following such Separation from Service.

(b) *Specified Date Benefit.* If the Participant has established one or more Specified Date Accounts, he or she shall be entitled to a Specified Date Benefit equal to the vested portion of each such Specified Date Account. Specified Date Accounts shall be valued and become payable on the first day of the month designated by the Participant on the applicable Compensation Deferral Agreement.

(c) *Death Benefit.* In the event of the Participant's death, his or her designated Beneficiary(ies) shall be entitled to receive the vested portion of the Participant's unpaid Account Balance. The valuation of Account Balances shall be determined in the discretion of the Committee.

(d) *Unforeseeable Emergency Payments.* A Participant who experiences an Unforeseeable Emergency may submit a written request to the Committee to receive payment of all or any portion of his or her vested Accounts. Whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting an emergency payment shall be determined by the Committee based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be reimbursed through insurance or otherwise, by liquidation of the Participant’s assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Deferrals under this Plan. If an emergency payment is approved by the Committee, the amount of the payment shall not exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted first from the vested portion of the Participant's Termination Account until depleted and then from the vested Specified Date Accounts, beginning with the Specified Date Account with the latest payment commencement date. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Committee.

(e) Except as otherwise set forth in this Article VI, the commencement date of any payments indicated in this Article VI shall be specified in the “Plan Summary” of the Plan.

(f) Notwithstanding anything to the contrary in this Article VI, a payment may be made on the payment date specified in this Article VI or “Plan Summary” of the Plan or on any later date in the same taxable year as the specified payment date or, if later, by no later than the 15^{th} day of the third calendar month following the specified payment date, provided the Participant is not permitted to designate the taxable year of payment.

6.2 Form of Payment.

(a) *Termination Benefit.* A Participant who is entitled to receive a Termination Benefit shall receive payment of such benefit in a single lump sum, unless the Participant elects on his or her initial Compensation Deferral Agreement to have such benefit paid in one of the following alternative forms of payment (i) substantially equal annual installments over a period of two (2) to fifteen (15) years, as elected by the Participant, or (ii) a lump sum payment of a percentage of the balance in the Termination Account, with the balance paid in substantially equal annual installments over a period of two (2) to fifteen (15) years, as elected by the Participant.

(b) *Specified Date Benefit.* The Specified Date Benefit shall be paid in a single lump sum unless the Participant elects on the Compensation Deferral Agreement with which the account was established to have the Specified Date Account paid in substantially equal annual installments over a period of two to five years, as elected by the Participant.

Notwithstanding any election of a form of payment by the Participant, upon a Separation from Service, any unpaid balance of a Specified Date Account whose distribution has not commenced as of the Separation from Service date shall be paid in accordance with the time and form of payment applicable to the Termination Account. A Specified Date Account that has commenced distribution as of the Separation from Service date shall continue to be paid in the time and form as scheduled.

(c) *Death Benefit.* A designated Beneficiary who is entitled to receive a Death Benefit shall receive payment of such benefit in a single lump sum.

(d) *Change in Control.* A Participant will receive his or her vested Account Balance in a single lump sum payment equal to the unpaid balance of all of his or her Accounts if Participant's Separation from Service occurs within 24 months following a Change in Control. Notwithstanding the foregoing, a Participant shall have the opportunity to elect, at his/her initial enrollment, to receive a single lump sum distribution equal to the unpaid balance of all of his or her Accounts to be valued as of the Change in Control and paid within 90 days following the Change in Control.

(e) *Small Account Balances.* Notwithstanding any provision of this Plan or designated Payment Schedule, a Participant will receive payment of his/her Accounts upon a Separation from Service in a single lump sum if the balance of such Accounts is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), provided the payment represents the complete liquidation of the Participant's interest in the Plan.

(f) *Payments to Specified Employees.* Notwithstanding anything to the contrary in this Article VI, a payment under Section 6.1 or 6.2 to a Participant who is a Specified Employee as of his or her date of Separation from Service shall not be made or begin sooner than the first day following the six-month anniversary of his or her Separation from Service. Unless otherwise specified by the Committee, if payment is to be made in installments, subsequent installments shall be made on first day of the seventh month following such Separation from Service.

(g) *Rules Applicable to Installment Payments.* If a Payment Schedule specifies installment payments, annual payments will be made beginning as of the payment commencement date for such installments and shall continue on each anniversary thereof until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the Valuation Date and (b) equals the remaining number of installment payments.

For purposes of Article VII, installment payments will be treated as a single form of payment. If a lump sum equal to less than 100% of the Termination Account is paid, the payment commencement date for the installment form of payment will be the first anniversary of the payment of the lump sum.

6.3 Acceleration of or Delay in Payments. The Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A- 3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7). If the Plan receives a domestic relations order (within the meaning of Code Section 414(p)(1)(B)) directing that all or a portion of a Participant's Accounts be paid to an "alternate payee," any amounts to be paid to the alternate payee(s) shall be paid in a single lump sum.

ARTICLE VII
Modifications to Payment Schedules

7.1 Participant's Right to Modify. A Participant may modify any or all of the alternative Payment Schedules with respect to an Account, consistent with the permissible Payment Schedules available under the Plan, provided such modification complies with the requirements of this Article VII.

7.2 Time of Election. The date on which a modification election is received by the Committee must be at least 12 months prior to the date on which payment is scheduled to commence under the Payment Schedule in effect prior to the modification.

7.3 Date of Payment under Modified Payment Schedule. Except with respect to modifications that relate to the payment of a Death Benefit, the date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the original Payment Schedule. Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A.

7.4 Effective Date. A modification election submitted in accordance with this Article VII is irrevocable upon receipt by the Committee and becomes effective 12 months after such date.

7.5 Effect on Accounts. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules of any other Accounts.

ARTICLE VIII
Valuation of Account Balances; Investments

8.1 Valuation. Deferrals shall be credited to appropriate Accounts on the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Company Contributions shall be credited to the Termination Account at the times determined by the Committee. Valuation of Accounts shall be performed under procedures approved by the Committee.

8.2 Earnings Credit. Each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Committee, in accordance with the provisions of this Article VIII ("investment allocation").

8.3 Investment Options. Investment options will be determined by the Committee. The Committee, in its sole discretion, shall be permitted to add or remove investment options from the Plan menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period prior to the effective date of such change.

8.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Company or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.

A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Committee. Allocation among the investment options must be designated in increments of 1%. The Participant's investment allocation will become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day.

A Participant may change an investment allocation on any Business Day, both with respect to future credits to the Plan and with respect to existing Account Balances, in accordance with procedures adopted by the Committee. Changes shall become effective on the same Business Day or, in the case of investment allocations received after a time specified by the Committee, the next Business Day, and shall be applied prospectively.

8.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Committee.

8.6- Company Phantom Stock. The Committee may include Company Phantom Stock as one of the investment options described in Section 8.3. The Committee may, in its sole discretion, limit the investment allocation of Company Contributions to Company Phantom Stock. The Committee may also (i) require Deferrals consisting of equity-based Compensation to be allocated to Company Phantom Stock only and/or (ii) require Deferrals consisting of equity-based Compensation to be payable only upon a Participant's Separation from Service.

8.7 Diversification. A Participant may not re-allocate an investment in Company Phantom Stock into another investment option. The portion of an Account that is invested in Company Phantom Stock will be paid under Article VI in the form of whole shares of Company Stock with any fractional shares paid in cash.

8.8 Effect on Installment Payments. If an Account is to be paid in installments, the Committee will determine the portion of each payment that will be paid in the form of Company Stock.

8.9 Dividend Equivalents. Dividend equivalents with respect to Company Stock will be credited to the applicable Accounts and allocated thereunder to the Plan's cash investment option (or its functional equivalent) as determined by the Company. Thereafter, the Participant may diversify into other investment options under the Plan (other than Company Phantom Stock).

ARTICLE IX
Administration

9.1 Plan Administration. This Plan shall be administered by the Committee which shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Committee and resolved in accordance with the claims procedures in Article XII.

9.2 Administration Upon Change in Control. Upon a Change in Control, the Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Committee. The individual who was the Chief Executive Officer of the Company (or if such person is unable or unwilling to act, the next highest ranking officer) prior to the Change in Control shall have the authority (but shall not be obligated) to appoint an independent third party to act as the Committee.

Upon such Change in Control, the Company may not remove the Committee, unless 2/3rds of the members of the Board and a majority of Participants and Beneficiaries with Account Balances consent to the removal and replacement of the Committee.
Notwithstanding the foregoing, neither the Committee nor the officer described above shall have authority to direct investment of trust assets under any rabbi trust described in Section 11.2.

The Company shall, with respect to the Committee identified under this Section: (i) pay all reasonable expenses and fees of the Committee, (ii) indemnify the Committee (including individuals serving as Committee members) against any costs, expenses and
liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Committee's duties hereunder, except with respect to matters resulting from the Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Committee may reasonably require.

9.3 Withholding. The Company shall have the right to withhold from any payment due under the Plan (or with respect to any amounts credited to the Plan) any taxes required by law to be withheld in respect of such payment (or credit). Withholdings with respect to amounts credited to the Plan shall be deducted from Compensation that has not been deferred to the Plan.

9.4 Indemnification. The Company shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Committee and its agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Company. Notwithstanding the foregoing, the Company shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Company consents in writing to such settlement or compromise.

9.5 Delegation of Authority. In the administration of this Plan, the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who shall be legal counsel to the Company.

9.6 Binding Decisions or Actions. The decision or action of the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan. Decisions and determinations by the Committee shall be afforded deference to the maximum extent permitted by applicable law.

ARTICLE X
Amendment and Termination

10.1 Amendment and Termination. The Company may at any time and from time to time amend the Plan or may terminate the Plan as provided in this Article X.

10.2 Amendments. The Company, by action taken by the Compensation Committee of the Board (“Compensation Committee”), may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a voluntary Separation from Service on such date) or reduce any rights of a Participant under the Plan or other Plan features with respect to Deferrals made prior to the date of any such amendment or restatement without the consent of the Participant. The Compensation Committee may delegate to the Committee the authority to amend the Plan without the consent of the Board for the purpose of: (i) conforming the Plan to the requirements of law; (ii) facilitating the administration of the Plan; (iii) clarifying provisions based on the Committee's interpretation of the document; and (iv) making such other amendments as the Compensation Committee may authorize.

10.3 Termination. The Company, by action taken by the Compensation Committee, may terminate the Plan and pay Participants and Beneficiaries their Account Balances at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix).

10.4 Accounts Taxable Under Code Section 409A. The Plan is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. The Committee, pursuant to its authority to interpret the Plan, may sever from the Plan or any Compensation Deferral Agreement any provision or exercise of a right that otherwise would result in a violation of Code Section 409A.

ARTICLE XI
Informal Funding

11.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Company, or a trust described in this Article XI. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Company. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Company.

11.2 Rabbi Trust. The Company may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Company or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

ARTICLE XII
Claims

12.1 Filing a Claim. Any controversy or claim arising out of or relating to the Plan shall be filed in writing with the Committee which shall make all determinations concerning such claim. Any claim filed with the Committee and any decision by the Committee denying such claim shall be in writing and shall be delivered to the Participant or Beneficiary filing the claim (the "Claimant").

(a) *In General.* Notice of a denial of benefits (other than Disability benefits) will be provided within 90 days of the Committee's receipt of the Claimant's claim for benefits. If the Committee determines that it needs additional time to review the claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 90-day period. The extension will not be more than 90 days from the end of the initial 90-day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Committee expects to make a decision.

(b) *Disability Benefits.* Notice of denial of Disability benefits will be provided within forty-five (45) days of the Committee's receipt of the Claimant's claim for Disability benefits. If the Committee determines that it needs additional time to review the Disability claim, the Committee will provide the Claimant with a notice of the extension before the end of the initial 45-day period. If the Committee determines that a decision cannot be made within the first extension period due to matters beyond the control of the Committee, the time period for making a determination may be further extended for an additional 30 days. If such an additional extension is necessary, the Committee shall notify the Claimant prior to the expiration of the initial 30-day extension. Any notice of extension shall indicate the circumstances necessitating the extension of time, the date by which the Committee expects to furnish a notice of decision, the specific standards on which such entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and any additional information needed to resolve those issues. A Claimant will be provided a minimum of 45 days to submit any necessary additional information to the Committee. In the event that a 30-day extension is necessary due to a Claimant's failure to submit information necessary to decide a claim, the period for furnishing a notice of decision shall be tolled from the date on which the notice of the extension is sent to the Claimant until the earlier of the date the Claimant responds to the request for additional information or the response deadline.

(c) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language. The notice shall: (i) cite the pertinent provisions of the Plan document, and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on review. In the case of a complete or partial denial of a Disability benefit claim, the notice shall provide a statement that the Committee will provide to the Claimant, upon request and free of charge, a copy of any internal rule, guideline, protocol, or other similar criterion that was relied upon in making the decision.

12.2 Appeal of Denied Claims. A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with a committee designated to hear such appeals (the "Appeals Committee"). A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other information relevant to the denial and may submit written comments, documents, records and other information relevant to the claim to the Appeals Committee. All written comments, documents, records, and other information shall be considered "relevant" if the information: (i) was relied upon in making a benefits determination, (ii) was submitted, considered or generated in the course of making a benefits decision regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with administrative processes and safeguards established for making benefit decisions. The Appeals Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

(a) *In General.* Appeal of a denied benefits claim (other than a Disability benefits claim) must be filed in writing with the Appeals Committee no later than 60 days after receipt of the written notification of such claim denial. The Appeals Committee shall make its decision regarding the merits of the denied claim within 60 days following receipt of the appeal (or within 120 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

(b) *Disability Benefits.* Appeal of a denied Disability benefits claim must be filed in writing with the Appeals Committee no later than 180 days after receipt of the written notification of such claim denial. The review shall be conducted by the Appeals Committee (exclusive of the person who made the initial adverse decision or such person's subordinate). In reviewing the appeal, the Appeals Committee shall: (i) not afford deference to the initial denial of the claim, (ii) consult a medical professional who has appropriate training and experience in the field of medicine relating to the Claimant's disability and who was neither consulted as part of the initial denial nor is the subordinate of such individual, and
(iii) identify the medical or vocational experts whose advice was obtained with respect to the initial benefit denial, without regard to whether the advice was relied upon in making the decision. The Appeals Committee shall make its decision regarding the merits of the denied claim within 45 days following receipt of the appeal (or within 90 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. Following its review of any additional information submitted by the Claimant, the Appeals Committee shall render a decision on its review of the denied claim.

(c) *Contents of Notice.* If a benefits claim is completely or partially denied on review, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language.

The decision on review shall set forth: (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above) to the Claimant's claim, and (iv) a statement describing any voluntary appeal procedures offered by the plan and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

(d) For the denial of a Disability benefit, the notice will also include a statement that the Appeals Committee will provide, upon request and free of charge: (i) any internal rule, guideline, protocol or other similar criterion relied upon in making the decision, (ii) any medical opinion relied upon to make the decision, and (iii) the required statement under Section 2560.503-1(j)(5)(iii) of the Department of Labor regulations.

12.3 Claims Appeals on or after Change in Control. On or after a Change in Control, the Appeals Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Appeals Committee. Upon such Change in Control, the Company may not remove any member of the Appeals Committee, but may replace resigning members if 2/3rds of the members of the Board and a majority of Participants and Beneficiaries with Account Balances consent to the replacement.

The Appeals Committee shall have the exclusive authority at the appeals stage to interpret the terms of the Plan and resolve appeals under the Claims Procedure.

The Company shall, with respect to the Committee identified under this Section: (i) pay its proportionate share of all reasonable expenses and fees of the Appeals Committee, (ii) indemnify the Appeals Committee (including individual committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Appeals Committee hereunder, except with respect to matters resulting from the Appeals Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Appeals Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Appeals Committee may reasonably require.

12.4 Legal Action. A Claimant may not bring any legal action, including commencement of any arbitration, relating to a claim for benefits under the Plan unless and until the Claimant has followed the claims procedures under the Plan and exhausted his or her administrative remedies under such claims procedures.

If a Participant or Beneficiary prevails in a legal proceeding brought under the Plan to enforce the rights of such Participant or any other similarly situated Participant or Beneficiary, in whole or in part, the Company shall reimburse such Participant or Beneficiary for all legal costs, expenses, attorneys' fees and such other liabilities incurred as a result of such proceedings. If the legal proceeding is brought in connection with a Change in Control, or a "change in control" as defined in a rabbi trust described in

Section 11.2, the Participant or Beneficiary may file a claim directly with the trustee for reimbursement of such costs, expenses and fees. For purposes of the preceding sentence, the amount of the claim shall be treated as if it were an addition to the Participant's or Beneficiary's Account Balance and will be included in determining the Company's trust funding obligation under Section 11.2.

12.5 Discretion of Appeals Committee. All interpretations, determinations and decisions of the Appeals Committee with respect to any claim shall be made in its sole discretion, and shall be final and conclusive.

12.6 Arbitration.

(a) *Prior to Change in Control.* If, prior to a Change in Control, any claim or controversy between the Company and a Participant or Beneficiary is not resolved through the claims procedure set forth in Article XII, such claim shall be submitted to and resolved exclusively by expedited binding arbitration by a single arbitrator. Arbitration shall be conducted in accordance with the following procedures:

The complaining party shall promptly send written notice to the other party identifying the matter in dispute and the proposed remedy. Following the giving of such notice, the parties shall meet and attempt in good faith to resolve the matter. In the event the parties are unable to resolve the matter within 21 days, the parties shall meet and attempt in good faith to select a single arbitrator acceptable to both parties. If a single arbitrator is not selected by mutual consent within ten Business Days following the giving of the written notice of dispute, an arbitrator shall be selected from a list of nine persons each of whom shall be an attorney who is either engaged in the active practice of law or recognized arbitrator and who, in either event, is experienced in serving as an arbitrator in disputes between employers and employees, which list shall be provided by the main office of either JAMS, the American Arbitration Association ("AAA") or the Federal Mediation and Conciliation Service. If, within three Business Days of the parties' receipt of such list, the parties are unable to agree on an arbitrator from the list, then the parties shall each strike names alternatively from the list, with the first to strike being determined by the flip of a coin. After each party has had four strikes, the remaining name on the list shall be the arbitrator. If such person is unable to serve for any reason, the parties shall repeat this process until an arbitrator is selected.

Unless the parties agree otherwise, within 60 days of the selection of the arbitrator, a hearing shall be conducted before such arbitrator at a time and a place agreed upon by the parties. In the event the parties are unable to agree upon the time or place of the arbitration, the time and place shall be designated by the arbitrator after consultation with the parties. Within 30 days of the conclusion of the arbitration hearing, the arbitrator shall issue an award, accompanied by a written decision explaining the basis for the arbitrator's award.

In any arbitration hereunder, the Company shall pay all administrative fees of the arbitration and all fees of the arbitrator, except that the Participant or Beneficiary may, if he/she/it wishes, pay up to one-half of those amounts. Each party shall pay its own attorneys' fees, costs, and expenses, unless the arbitrator orders otherwise. The prevailing party in such arbitration, as determined by the arbitrator, and in any enforcement or other court proceedings, shall be entitled, to the extent permitted by law, to reimbursement from the other party for all of the prevailing party's costs (including but not limited to the arbitrator's compensation), expenses, and attorneys' fees. The arbitrator shall have no authority to add to or to modify this Plan, shall apply all applicable law, and shall have no lesser and no greater remedial authority than would a court of law resolving the same claim or controversy. The arbitrator shall have no authority to add to or to modify this Plan, shall apply all applicable law, and shall have no lesser and no greater remedial authority than would a court of law resolving the same claim or controversy. The arbitrator shall, upon an appropriate motion, dismiss any claim without an evidentiary hearing if the party bringing the motion establishes that it would be entitled to summary judgment if the matter had been pursued in court litigation.

The parties shall be entitled to discovery as follows: Each party may take no more than three depositions. The Company may depose the Participant or Beneficiary plus two other witnesses, and the Participant or Beneficiary may depose the Company, pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure, plus two other witnesses. Each party may make such reasonable document discovery requests as are allowed in the discretion of the arbitrator.

The decision of the arbitrator shall be final, binding, and non-appealable, and may be enforced as a final judgment in any court of competent jurisdiction.

This arbitration provision of the Plan shall extend to claims against any parent, subsidiary, or affiliate of each party, and, when acting within such capacity, any officer, director, shareholder, Participant, Beneficiary, or agent of any party, or of any of the above, and shall apply as well to claims arising out of state and federal statutes and local ordinances as well as to claims arising under the common law or under this Plan.

Notwithstanding the foregoing, and unless otherwise agreed between the parties, either party may apply to a court for provisional relief, including a temporary restraining order or preliminary injunction, on the ground that the arbitration award to which the applicant may be entitled may be rendered ineffectual without provisional relief.

Any arbitration hereunder shall be conducted in accordance with the Federal Arbitration Act: provided, however, that, in the event of any inconsistency between the rules and procedures of the Act and the terms of this Plan, the terms of this Plan shall prevail.

If any of the provisions of this Section 12.6(a) are determined to be unlawful or otherwise unenforceable, in the whole part, such determination shall not affect the validity of the remainder of this section and this section shall be reformed to the extent necessary to carry out its provisions to the greatest extent possible and to insure that the resolution of all conflicts between the parties, including those arising out of statutory claims, shall be resolved by neutral, binding arbitration. If a court should find that the provisions of this Section 12.6(a) are not absolutely binding, then the parties intend any arbitration decision and award to be fully admissible in evidence in any subsequent action, given great weight by any finder of fact and treated as determinative to the maximum extent permitted by law.

The parties do not agree to arbitrate any putative class action or any other representative action. The parties agree to arbitrate only the claims(s) of a single Participant or Beneficiary.

(b) *On Or After Change in Control.* If, on or after the occurrence of a Change in Control, any dispute, controversy or claim arises between a Participant or Beneficiary and the Company out of or relating to or concerning the provisions of the Plan, such dispute, controversy or claim shall be finally settled by a court of competent jurisdiction which, notwithstanding any other provision of the Plan, shall apply a de novo standard of review to any determination made by the Company or its Board, Company, the Committee, or the Appeals Committee.

ARTICLE XIII
General Provisions

13.1 Assignment. No interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, the Committee has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

The Company may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting the Company without the consent of the Participant.

13.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of the Company. The right and power of the Company to dismiss or discharge an Employee is expressly reserved. The Company makes no representations or warranties as to the tax consequences to a Participant or a Participant’s beneficiaries resulting from a deferral of income pursuant to the Plan.

13.3 No Employment Contract. Nothing contained herein shall be construed to constitute a contract of employment between an Employee and the Company.

13.4 Notice. Any notice or filing required or permitted to be delivered to the Committee under this Plan shall be delivered in writing, in person, or through such electronic means as is established by the Committee. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

LENDINGTREE, INC.
ATTN: DIRECTOR OF HUMAN RESOURCES 11115 RUSHMORE DRIVE
CHARLOTTE, NC 28277

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

13.5 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

13.6 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and the Committee may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.

13.7 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Committee advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Committee shall presume that the payee is missing. The Committee, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored.

13.8 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Committee may, in its discretion, make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Committee, the Company, and the Plan from further liability on account thereof.

13.9 Governing Law. To the extent not preempted by ERISA, the laws of the State of Delaware shall govern the construction and administration of the Plan.

ADDITIONAL PLAN INFORMATION

Name of Plan:	LendingTree, Inc. Deferred Compensation Plan
Employer Sponsoring Plan:	LendingTree, Inc. 11115 Rushmore Drive, Charlotte, NC 28277
Employer Identification Number:	26-2414818
Plan Year:	Calendar Year
Plan Administrator:	LendingTree, Inc. c/o Chief Executive Officer 11115 Rushmore Drive, Charlotte, NC 28277 Telephone No. (704) 541-5351
Agent for Service of Legal Process:	Plan Administrator, at the above address
Type of Plan:	Unfunded Pension Plan providing nonqualified deferred compensation benefits to a select group of management and/or highly compensated employees
Plan Costs:	The cost of the Plan is paid by LendingTree, Inc.
Type of Administration:	Self-administered by the Plan Administrator

IN WITNESS WHEREOF, the undersigned executed this Plan as of the__day of __, 2016, to be effective as of the Effective Date provided that deferral elections may be submitted by Participants before the Effective Date with such elections effective on or after the Effective Date.

LendingTree, Inc.

By: ___(Print Name) Its:____(Title)

__(Signature)

Exhibit 31.1

CERTIFICATION

I, Douglas R. Lebda, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2022 of LendingTree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Douglas R. Lebda

Douglas R. Lebda
Chairman and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Trent Ziegler, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2022 of LendingTree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2022

/s/ Trent Ziegler

Trent Ziegler
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas R. Lebda, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022 of LendingTree, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LendingTree, Inc.

Date: May 5, 2022

/s/ Douglas R. Lebda

Douglas R. Lebda
Chairman and Chief Executive Officer
(principal executive officer)

Exhibit 32.2

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Trent Ziegler, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022 of LendingTree, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LendingTree, Inc.

Date: May 5, 2022

/s/ Trent Ziegler

Trent Ziegler
Chief Financial Officer
(principal financial officer)